# HOUSE OF REPRESENTATIVES—*Wednesday, October 30, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

*The grass withers, the flower fades; but the Word of our God will stand for-ever.*—Isaiah 40:8.

We are thankful, O God, that in a world of change, Your Word is a beacon of truth. We are grateful that Your Word tells us how to live our lives and reminds that we ought to treat each other with dignity and respect. May Your good Word lead and guide that we will be the people You would have us be. Amen

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1903. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of Lake Superior in Dockets Numbered 18-S, 18-U, 18-C, and 18-T before the Indian Claims Commission, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) "An act making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 12 and 26 to the above-entitled bill.

## LEGISLATION TO RESTORE DEMOCRACY OF INFORMATION TO FAMILY PLANNING POLICY ABROAD

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, last July the Agency for International Development became the Agency of Informational Dictatorship.

This dramatic transformation came about when AID announced a new policy toward family planning agencies in developing countries. Up to this point, in order to receive U.S. dollars, family planning groups had to give information on all available pregnancy-prevention methods. Now, AID is telling certain "natural family planning" groups that they can ignore those ethical standards that other family planning organizations still abide by.

What does this mean to a woman in a developing country? What does this mean to a poor woman who already has several children and feels that her family is complete? It means that the woman going into a natural family planning clinic will have one—and only one—response dictated to her. No one will tell her that she might have a choice of several different methods. No one will even refer her to another clinic if she seems dissatisfied with the order they give.

Perhaps AID also stands for the Agency of Informational Dictatorship. In this country, where the right to know all one's health options is so greatly prized, we cannot afford to promote a limitation of information abroad. No family planning agency should be allowed the dangerous exemption from informed consent. We must respect the right of the individual woman to make her own choice based on the personal, cultural, and medical needs which no one from the outside can impose.

Mr. Speaker, today with my colleagues NANCY JOHNSON and OLYMPIA SNOWE, I am pleased to announce the introduction of legislation that would restore the democracy of information to family planning policy abroad. Thanks to the leadership of Congresswoman JOHNSON, we may once again have an AID policy that allows for full informed consent for all family planning groups in developing countries.

## GRAMM-RUDMAN DEFICIT REDUCTION PLAN

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I am getting a message from the people back home in Nebraska and that message grows louder every day: The deficit hurts. Do something about it.

I know this is the same message every Member of this body receives, and I am wondering just how much longer some of my colleagues are going to ignore it.

In Nebraska, for agriculture, the Federal budget deficit and the resulting overvalued dollar and continued high interest rates means our farm products cannot compete in the global market and our farmers must shoulder a back-breaking cost of servicing the farm debt.

Rural America, along with much of the country, is hurting because of an annual Federal deficit that adds billions each year to the mounting public debt. Now finally, after months and months of empty rhetoric, we have the opportunity to do something about the pain, and I say let's get to it.

The Gramm-Rudman-Mack-Cheney deficit reduction plan may not yet be perfected—it means we in Congress will have to finally put together a realistic and responsible budget—it may mean some difficult spending cuts down the road—but it is the only long-range, budget-cutting plan on the table. And it is time this House faces reality and listens to the cry from the taxpayers back home who are demanding a reasonable means of bringing Federal deficits under control and establishing a government we can pay for.

I urge the conferees to bring Gramm-Rudman out of conference, and I urge my colleagues to support it without any further delay.

## JOINT CHIEFS OF STAFF REORGANIZATION ACT OF 1985

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, yesterday was a very important day regarding the military future of our Nation because the House Armed Services Committee reported out the Joint Chiefs of Staff Reorganization Act of 1985.

It is the most significant change in military organization since the Department of Defense was created in 1947. Until now, the Chairman of the Joint Chiefs has officially been only the spokesman of the corporate views of the four service Chiefs. As a result, the Chairman has been stuck with positions written by a committee, that is, the service Chiefs, that protects the institutional interests of each of the four services. The 1985 Joint Chiefs of Staff bill strengthens the role of the Chairman of the Joint Chiefs by

making him the principal military adviser to the President and to the Secretary of Defense. As the only member of the Joint Chiefs of Staff with no service responsibilities, unlike the four service Chiefs, the Chairman is uniquely positioned to speak for the broader military point of view. This change will undoubtedly strengthen his voice and help check the parochial interests of each of the four services.

In addition, the Joint Staff will now work directly for the Chairman rather than for the Joint Chiefs as a whole. For a third of a century, the Joint Staff has not been working for a national or unified strategy but rather for three separate strategies, those of the Army, the Navy, and the Air Force. Giving the Chairman complete control of the Joint Staff will improve the joint multiservice perspective that has been lacking since 1947.

## EL SALVADOR

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, all of us in the House welcome the news of the release in El Salvador of the daughter of President Duarte following lengthy negotiations.

President Duarte has sought to humanize the war in his country and has urged the leftist guerrillas to abandon their senseless attacks on the Salvadoran people. The guerrillas, for their part, demand to share power with the Government before the conflict can be resolved; and until that occurs, they arm themselves through the help of the Sandinista regime in Nicaragua to fight the Duarte government with the apparent intention of bringing it down.

President Duarte, in a speech to the National Assembly in El Salvador, blamed the Nicaraguans for being behind the kidnaping of his daughter. He said, Managua was the center of the operation, kidnaping, and this has to be denounced.

Mr. Speaker, if the guerrillas are honestly seeking peace and justice in El Salvador, they would sit down with President Duarte and continue the dialog that began so hopefully a year ago. Action like the kidnaping of his daughter do not bring peace closer, it only makes it less likely.

## SAVE FOR THE U.S.A. YEAR

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, over $200 billion of the U.S. debt is owed to foreign interests. This year, for the first time since World War II, the United States became a debtor nation, which means we owe foreign interests more money than they owe us. Thus, today I am introducing a resolution that asks the President to designate 1986 as "Save for the U.S.A. Year." It directs the President to elevate to national prominence a special national savings bond drive next year to help wean America off its growing dependence on foreign sources of credit.

Now, as much as any time in our past, we need to promote individual savings, as well as savings on our public debt. To meet this object, my resolution calls on a tried and true resource, the U.S. savings bond program, which saves taxpayers over $2 billion a year in annual debt costs. Together with the President, let us appeal to the American people to serve their country while they save. Mr. Speaker, this is a start at buying back America.

## NATIONAL ARSON AWARENESS WEEK

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, Monday night a young mother and her 10-month-old son were killed when a fire raced through a shelter for battered women in my congressional district.

Another young mother and her 27-day-old son also remain hospitalized as the result of smoke inhalation. When the fire department arrived, shortly after the fire began, they had a difficult time finding those trapped inside because of the thick black smoke and the way the fire spread so quickly throughout the structure.

According to the Boston Fire Department, the exact cause of the fire has yet to be determined. Although they are listing the fire as suspicious in origin, they believe the fire was deliberately set.

The No. 1 cause of property loss, due to fire, in the United States is arson. Each year billions of dollars in property is lost, hundreds of people are either killed or injured.

Today, along with several dozen of my colleagues I am introducing a resolution to designate the week of May 4, 1986, as National Arson Awareness Week. This campaign was started by the National Association of Arson Investigators and has been endorsed by numerous fire and police organizations.

Mr. Speaker, arson is a terrorist act which kills. National Arson Awareness Week will give an opportunity for fire, police, civic, housing, and community development people to inform the American people to this tragedy. I urge my colleagues to join with us in cosponsoring this legislation.

## WHY GET FOOLED AGAIN? VOTE AGAINST NEW CHEMICAL WEAPONS

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, when the House considered chemical weapons funding in the fiscal year 1986 Defense authorization bill, the House included language that prevented the production of chemical weapons until a number of conditions were met. One important one was that:

> The European member nations of NATO where such chemical weapons are to be stored or deployed are willing to accept storage and deployment of binary chemical munitions within their territories.

The conference committee, as I predicted, struck this language and substituted meaningless "consulting" language. Thus, the authorization contained no "fence" on chemical weapons production.

Last week, after a closed and classified markup, the full appropriations committee said "no" to chemical weapons funding.

When the Defense appropriations bill is considered today, an amendment may be offered to restore the funds.

The vote will be one to commit to $20 billion in funding for chemical weapons production with no "fence" around it.

But even if a "fence" were to be resurrected, I would hope no one would be fooled into believing it would last. It would disappear just like it did in the authorizing conference.

An adequate chemical deterrent is needed and we have one: huge in number of projectiles, safe without question and forward deployed in West Germany where any Soviet attack would come.

A commitment of $20 billion for new chemical weapons production is not needed. If you care anything about the huge deficits our country is carrying, please vote "no."

## DEFICIT REDUCTION

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, in a column in yesterday's Washington Post newspaper, an author of the Gramm-Rudman proposal tried to justify the fact that the Emergency Deficit Control Act, which has passed the Senate, does not declare an emergency until next fiscal year.

The sponsors of Gramm-Rudman can put any fig leaf they want on their proposal, but the fact is that only last Friday the administration reestimated the 1986 fiscal year estimate for the deficit at $177.8 billion, nearly $15 bil-

lion below the maximum deficit amount allowed under Gramm-Rudman.

The alternative approach which I am supporting would, using current CBO economic assumptions, incur $237 billion less in public debt over the next 5 years than would the Gramm-Rudman plan. Under the administration economic assumptions, my alternative would save over $310 billion.

That column also alluded to past history. Yet history shows that the 1981 Gramm-Latta budget, despite assurances at the time that adoption of that elixir would lead to a balanced budget, has produced huge deficits. History also shows that there was another proposal before the House in 1981, which I sponsored and which was estimated to cut deficits by $215 billion below the levels of Gramm-Latta. It spent less than that plan, and in the first 3 years alone it would have deficits $214 billion below that proposal.

I would be happy to let past history serve as a guide to the question of whose present-day approach would be most effective in reducing deficits.

For those who would rather look at the substance of the two alternatives now before the Congress, I welcome that approach as well.

## RECONCILIATION CUTS

(Mr. SCHAEFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAEFER. Mr. Speaker, to my fellow colleagues, I say we've done it again. Once again we had a chance to prove to the American people that we are serious about deficit reduction. Once again we failed.

Last Thursday this body was scheduled to vote on an omnibus reconciliation bill. H.R. 3500 was to be a compilation of committee recommendations on how to reduce the Federal deficit. Yet the bill we voted on included authorization of five new housing programs. The bill we voted on calls for a 10-percent increase in salaries for Members of Congress. Worst of all, the bill we voted on passed.

My vote against the Budget Reconciliation Act was one of frustration. We have reached a sad state when a vote in favor of a reconciliation package authorizes $3.5 billion in new spending add-ons. Fellow Members, if we cannot resist adding spending provisions to a bill designed to bring about deficit reduction, how can we expect the American people to take us seriously when we pledge to balance the Federal budget? Or perhaps this, too, is just another empty promise.

□ 1015

## OUR COAST GUARD HEROES

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, our President spoke in his first inaugural address about heroes. American heroes; they are all around us, he said, and they make appearances at various times. We in Louisiana have just been struck by a very devastating hurricane. In that hurricane we have seen some of those heroes that he is talking about.

The heroes that I would like to call my colleagues' attention are those members of Group New Orleans, U.S. Coast Guard, under the leadership of Capt. John E. Lindak. During Hurricane Juan, they put out to sea in boats to rescue a number of oil field workers who were on oil rigs and trapped, thrown into the sea, and could not get home safely. One hundred and sixty of them were thrown into the sea, and 160 of them were rescued by the Coast Guard. They also pulled men off sinking boats, and to the best of our knowledge, there was only one life they were not able to save. In going out to sea to rescue these people on offshore rigs in the middle of that hurricane, they certainly exposed themselves to great danger and were heroes to those rescued and their families.

We in Louisiana admire heroes, and we particularly appreciated the heroic efforts of these men of the Coast Guard.

## MEDICAL READINESS PLANNING

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, 2 years ago disaster struck American military forces in Lebanon. A second disaster almost occurred in the manner in which the medical evacuation of the wounded marines from Beirut to Europe was handled.

Precious time was lost because of competition between the Air Force and Army over where the Beirut bombing victims were to be flown in Europe.

Participants in that operation criticized the handling of the evacuation as indefensible "medically, morally, or ethically." It is enough to say that this concerned the House Armed Services Subcommittee on Investigations very much. On September 18, the subcommittee, under the able leadership of its distinguished chairman from Alabama [Mr. NICHOLS] heard from the Pentagon's chief medical official, Dr. Alfred Mayer. Under questioning, our concerns about the need to avert another Beirut type medical evacuation near disaster were verified. The subcommittee followed up with a letter to the Secretary of Defense urging the establishment of a U.S. European Command surgeon of sufficient rank and authority to manage future medical evacuations and manage overall medical readiness for the European Command. Despite the acknowledged concern of the services and the Secretary of Defense, this has not happened. In order to correct this, I am today introducing legislation to require the Secretary of Defense to assign a senior medical officer of the Armed Forces as the chief medical officer of the U.S. European Command. I hope that the Pentagon will take this step. I also wish to commend the House Appropriations Committee in this regard with its very specific language about this issue.

Mr. Speaker, we can no longer afford to continue to count on being lucky with respect to medical readiness planning. The Secretary of Defense must make this designation of a fulltime European Command surgeon now, or Congress must act.

## WE NEED TO PASS THE GRAMM-MACK PROPOSAL NOW

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, with all the budget cutting rhetoric we've heard of late you'd think it would be possible to actually cut some spending. Yet last week, under the guise of deficit reduction, the House did what it does best; it defeated an amendment to the Omnibus Reconciliation Act which would have stopped the addition of $3.5 billion in spending add ons.

In light of our chronic $200 billion deficit, I can't say this action took me by surprise. For too long, Congress has been unwilling to make the tough choices necessary to balance our Federal budgets.

Mr. Speaker, we have before us a measure which will force this Congress to make the tough but necessary decisions which will lead us to a balanced budget. The Balanced Budget and Emergency Deficit Control Act is a straightforward approach to reducing spending. By establishing maximum levels for deficits for the next 5 years, and by empowering the President to enforce such levels, we can stop talking about cutting spending and start actually doing it.

This bill is no panacea. It won't immediately solve our fiscal problems and it won't relieve Congress of its responsibility to put our fiscal house in order. It won't be an easy task, but it's our obligation to those who elected us.

We need to pass the Gramm-Mack proposal and we need to do it now. I urge the House conferees to concur with the other body and send to the House a much needed and long overdue ironclad deficit reduction measure.

## SUPPORT URGED FOR THE GRAMM-RUDMAN-MACK PROPOSAL

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, as we meet today in this body, the House conference committee with the other body is addressing the Gramm-Rudman-Mack proposal which would bring us to a balanced budget by fiscal year 1991. Mr. Speaker, I urge the conferees to that very important conference committee to adopt Gramm-Rudman, and bring it to this House for our observation so that we can pass it and send it to the President for his signature.

The Federal Government is spending approximately $1 trillion a year. That calculates to $3 billion a day, approximately. Of that $3 billion, a half a billion dollars a day is borrowed money. We need to begin to address this problem. Gramm-Rudman gives us the mechanism between now and 1991 to do so. Hopefully by 1991 we will have a balanced budget amendment to the Constitution which will require for future years that the budget be in balance.

We cannot get that balanced budget amendment for at least 5 years in all probability. In the absence of that, we need Gramm-Rudman. We need to pass it. I urge the conference committee to do so and bring it to this House for our consideration immediately.

## JUSTICE DEPARTMENT INVESTIGATION CALLED FOR IN THE CASE OF MIROSLAV MEDVID

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, Miroslav Medvid is going back to the U.S.S.R. After jumping ship twice and being forced back on board twice, he spent 24 hours without any Americans being present. The decision to put him back on board on the ship was made out of a telephone call from New Orleans to New York City to some INS officer who supposedly spoke Russian.

Lord knows what he heard from his ship disciplinarian once back on board. When eventually asked by State Department interviewers why he jumped, he said he did not remember jumping ship. Miroslav spent more than 24 hours back on that Soviet ship after jumping for the second time. Why was that allowed to happen?

Perhaps we have to chalk this fiasco off as a foul-up by some U.S. officials whose understanding of the implications of their actions was negligible. But for Miroslav Medvid the implications of those actions are tragic. He is now a marked man. If the experiences of Simas Kudirka are any guide, he is in for big trouble back in the U.S.S.R.

Mr. Speaker, I am calling today for an investigation by the Justice Department in the hopes that all the facts of this tragic event can be made public, and that we can devise policies to avoid such mistakes in the future.

## OLDER VETERANS' HEALTH CARE AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 505) to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration, and for other purposes, with Senate amendments thereto, concur in the Senate amendment to the title of the bill, and concur in the Senate amendment to the text of the bill with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments and the House amendment to the Senate amendments, as follows:

Senate amendments: Strike out all after the enacting clause and insert:

*That (a) this Act may be cited as the "Veterans' Administration Health-Care Programs Improvement Act of 1985".*

*(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.*

*TITLE I—PILOT PROGRAMS*

*PILOT PROGRAM OF VIETNAM VETERAN RESOURCE CENTERS*

*SEC. 101. Section 612A is amended by adding at the end the following new subsection:*

*"(h)(1) In order to evaluate the effectiveness, feasibility, and desirability of providing veterans eligible for readjustment counseling under this section with additional services described in paragraph (2) of this subsection, through facilities furnishing such counseling, the Administrator, during the period beginning January 1, 1986, and ending December 31, 1988, shall conduct a pilot program to provide and coordinate the provision of such additional services.*

*"(2) The additional services referred to in paragraph (1) of this subsection that shall be provided and coordinated under such pilot program are—*

*"(A) counseling with respect to and assistance in applying for all benefits and services under laws administered by the Veterans' Administration for which veterans participating in the pilot program may be eligible;*

*"(B) employment counseling, training, placement, and related services described in sections 2003 and 2003A of this title or provided under any other laws administered by the Secretary of Labor;*

*"(C) initial intake and referral services with respect to alcohol or drug dependence or abuse disabilities and followup services for veterans who have received treatment for such dependence or abuse disabilities; and*

*"(D) coordination assistance for veterans participating in the pilot program with respect to such veterans' receipt of (i) services provided under the pilot program, and (ii) other benefits and services provided under laws administered by the Veterans' Administration, the Secretary of Labor, or any other Federal agency or official.*

*"(3)(A) In order to carry out the pilot program under this subsection, the Administrator shall—*

*"(i) designate as demonstration projects ten facilities which, on the date of the enactment of this section are providing readjustment counseling (which projects shall be referred to as Vietnam Veteran Resource Centers (hereinafter in this subsection referred to as 'Centers')),*

*"(ii) provide such additional staff and other resources as are necessary to enable such Centers to provide the services referred to in paragraph (2) (A), (C), and (D) of this subsection, and*

*"(iii) notify the Secretary of Labor of the need for the assignment, pursuant to subparagraph (B)(ii) of this paragraph, of personnel to provide the services described in paragraph (2)(B) of this subsection at such Centers.*

*"(B)(i) The Administrator shall be responsible for coordinating the assignment and use of employees, on full- or part-time bases, as appropriate, in each Center and, shall in carrying out that responsibility, make maximum feasible use of the Veterans' Administration employees who are providing services at each facility on the date it is designated as a Center under this subsection.*

*"(ii) The Secretary of Labor shall provide for the assignment to each Center, on full- or part-time bases, as appropriate, of disabled veterans' outreach specialists appointed pursuant to section 2003A of this title or employees on the staffs of local employment service offices who are assigned to perform services pursuant to section 2004 of this title.*

*"(4)(A) In order to ensure appropriate guidance, coordination, implementation, and assessment of the pilot program under this subsection, the Administrator shall establish, and provide appropriate staffing and other resources for, a Vietnam Veteran Resource Center Coordinating Committee (hereinafter in this subsection referred to as the 'Committee').*

*"(B) The Committee shall be composed of—*

*"(i) a member or members appointed by and representing the Administrator;*

*"(ii) a member or members appointed by and representing the Chief Medical Director;*

*"(iii) a member or members appointed by and representing the Chief Benefits Director; and*

*"(iv) a member appointed by and representing the Assistant Secretary of Labor for Veterans' Employment.*

*"(C) Not less frequently than every 6 months, the Committee shall report to the Administrator, the Chief Medical Director, the Chief Benefits Director, and the Assistant Secretary of Labor for Veterans' Employment on the implementation and status of the pilot program. The first such report shall be submitted not later than June 30, 1986.*

"(5) After the Committee is established pursuant to paragraph (4) of this subsection, the Administrator may delegate to the Chief Medical Director the responsibility for carrying out the pilot program.

"(6)(A) Not later than April 1, 1987, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the pilot program during its first 15 months of operation. The report shall include—

"(i) the Administrator's assessment of—

"(I) the effectiveness of the pilot program in providing and coordinating the provision of the services described in paragraph (2) of this subsection and counseling and services furnished under subsections (a) and (b) of this section; and

"(II) the cost-effectiveness of the program;

"(ii) a description of any administrative actions that the Administrator plans to take generally to increase the coordination of the provision of such services to eligible veterans and to other veterans;

"(iii) any recommendations for legislation, relating to the provision of such services to eligible veterans and to other veterans, that the Administrator considers appropriate; and

"(iv) a comparison of such assessment, plans, and recommendations with the evaluation of and the recommendations relating to the readjustment counseling program included in the report required by subsection (g)(2) of this section.

"(B) Not later than April 1, 1989, the Administrator shall submit to such Committees a final report on the program. The report shall include updates of all information provided in the report submitted pursuant to subparagraph (A) of this paragraph, the Administrator's final assessment of the pilot program based on 36 months of operation, and any recommendation for administrative or legislative action that the Administrator considers appropriate to include in the report.".

PILOT PROGRAM OF COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL TREATMENT FOR CHRONICALLY MENTALLY ILL VETERANS

SEC. 102. (a) Subchapter II of chapter 17 is amended by adding at the end the following new section:

"§ 620B. Community-based psychiatric residential treatment for chronically mentally ill veterans; pilot program

"(a)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may, during the period beginning January 1, 1986, and ending December 31, 1989, conduct a pilot program under which the Administrator may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities (hereinafter in the section referred to as 'contract facilities') for eligible veterans suffering from chronic mental illness disabilities. Such pilot program shall be planned, designed, and conducted by the Chief Medical Director, with the approval of the Administrator, so as to demonstrate (A) any medical advantages and cost-effectiveness that may result from furnishing such care and services to veterans with such disabilities in such contract facilities rather than in inpatient facilities over which the Administrator has direct jurisdiction, and (B) the potential, as a result of the furnishing of such care and services, for enabling such veterans to live in settings other than inpatient facilities.

"(2) Before furnishing such care and services to any veteran through a contract facility, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe by regulation) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

"(b) In the case of each eligible veteran provided care and services under this section, the Administrator shall designate a Veterans' Administration employee to provide case management services.

"(c) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a contract facility under this section. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the contract facility. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(d) For the purposes of this section—

"(1) The term 'eligible veteran' means a veteran who at the time of referral to a contract facility—

"(i) is being furnished hospital, domiciliary, or nursing home care from the Veterans' Administration for a service-connected chronic mental illness disability, or

"(ii) is being furnished such care from the Veterans' Administration for a chronic mental illness disability and is a veteran described in section 612(f)(2) of this title.

"(2) The term 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Administration), monitoring, reassessment, and followup.

"(e)(1) Not later than February 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the experience under the pilot program during the first 36 months of the program. The report shall include the Administrator's interim evaluation and findings regarding—

"(A) the quality of care furnished to participating veterans through contract facilities;

"(B) the effectiveness of the pilot program in enabling the participating veterans to live outside of Veterans' Administration inpatient facilities and to achieve independence in living and functioning in their communities; and

"(C) the effect of the pilot program on the average daily census in the Veterans' Administration hospitals, nursing homes, and domiciliary facilities participating in the program (taking into account whether the beds previously occupied by the participating veterans were subsequently occupied by other eligible veterans or remained unoccupied).

"(2) Not later than April 1, 1990, the Administrator shall submit to such Committees a final report on the pilot program. The report shall include updates of all information provided in the interim report submitted pursuant to paragraph (1) of this subsection, the Administrator's final evaluation, findings, and conclusions regarding the program based on 48 months of operation, and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in such report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620A the following new item:

"620B. Community-based psychiatric residential treatment for chronically mentally ill veterans; pilot program.".

PILOT PROGRAM OF NONINSTITUTIONAL ALTERNATIVES TO INSTITUTIONAL CARE

SEC. 103. (a) Subchapter II of chapter 17 is further amended by adding at the end the following new section:

"§ 620C. Noninstitutional alternatives to institutional care; pilot programs

"(a)(1) In order to evaluate the effectiveness, feasibility, and desirability of various actions that would obviate the need for furnishing hospital, nursing home, or domiciliary care to veterans eligible under this chapter for and otherwise in need of such care, the Administrator, during the period beginning January 1, 1986, and ending December 31, 1989, and subject to subsection (c) of this section, shall conduct a pilot program under which such veterans will be furnished at ten demonstration project sites medical, rehabilitative, and health-related services in noninstitutional settings. Not less than five of such projects shall involve the use of a geriatric evaluation unit at a Veterans' Administration health-care facility.

"(2) In selecting veterans for participation in the program, the Administrator shall accord priority to veterans who have service-connected disabilities, to veterans who are 65 years of age or older, and to veterans who are totally and permanently disabled.

"(b)(1)(A) In order to avoid duplication of services available from the Veterans' Administration and other sources to veterans participating in the pilot program and to avoid fragmentation of effort under the program, the Administrator shall in the conduct of the program (i) furnish appropriate health-related services solely through contracts with appropriate public and private agencies that provide such services, and (ii) in the case of each veteran furnished services under the program, appoint a Veterans' Administration employee to furnish case management services.

"(B) For the purposes of subparagraph (A) of this paragraph, 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Ad-

ministration), monitoring, reassessment, and followup.

"(2) In order further to avoid such duplication and fragmentation and in order to evaluate the cost-effectiveness of utilizing certain health services of agencies other than the Veterans' Administration in cases in which no Veterans' Administration facility in the vicinity of a demonstration project provides such services, the Administrator, in not more than two of the projects, may utilize appropriate health services of appropriate public and private agencies that furnish such services.

"(3) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a facility furnishing services to veterans under paragraph (1)(A) of this subsection. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the facility concerned. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(c)(1) The total cost of conducting the pilot program under this section shall not exceed 60 percent of the cost that would have been incurred by the Veterans' Administration during the period of the pilot program if the veterans being furnished services under the pilot program had been furnished, instead, nursing home care under section 610 of this title. In any one fiscal year, the cost of carrying out the pilot program shall not exceed 65 percent of the cost that would have been so incurred for such year under such section 610.

"(2) Expenditures for services furnished to veterans under the pilot program shall be made from appropriated funds that would otherwise have been expended to provide intermediate hospital care to eligible veterans.

"(d)(1) The Administrator shall conduct a study of the pilot program to determine with respect to the participating veterans—

"(A) the feasibility, medical advantages, and cost-effectiveness of the services furnished under the program as an alternative to hospital, nursing home, or domiciliary care; and

"(B) the extent to which such a program can—

"(i) furnish such veterans with more appropriate kinds and levels of care than they would otherwise receive;

"(ii) reduce hospital, nursing home, or domiciliary facility admission rates for such veterans;

"(iii) reduce the number of days that such veterans are institutionalized;

"(iv) reduce mortality rates among such veterans; and

"(v) reduce the cost of long-term care for such veterans under this chapter.

"(2) Not later than February 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the study required by paragraph (1) of this subsection setting forth the Administrator's findings based on the results of the study of the program's first 36 months experience. The report shall include a description of the administration of the program (including a description of the veterans furnished services and of the services furnished under the pilot program), the Administrator's interim evaluation of and findings on the program (including the matters referred to in paragraph (1) of this subsection), and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in the report.

"(3) Not later than April 1, 1990, the Administrator shall submit to such Committees a final report on the study required by paragraph (1) of this subsection. The report shall include updates of all information provided in the interim report submitted pursuant to paragraph (2) of this subsection, the Administrator's final evaluation, findings, and conclusions regarding the program based on 48 months of operation (in the context of an assessment, which the report shall contain, of the needs of older eligible veterans for noninstitutional health and health-related services and of the availability of such services from non-Veterans' Administration sources), and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in the report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620B (as added by section 9(b) of the Act) the following new item:

"620C. Noninstitutional alternatives to institutional care; pilot program.".

CHIROPRACTIC SERVICES PILOT PROGRAM

SEC. 104. (a)(1) Subchapter III of chapter 17 is amended by adding at the end the following new section:

"§ 630A. Chiropractic services; pilot program

"(a) The Administrator, subject to the provisions of this section, shall conduct a pilot program consisting of not less than one demonstration project in each of five geographic regions of the United States during the period beginning January 1, 1986, and ending December 31, 1988—

"(1) to furnish certain chiropractic services to veterans eligible for medical services under this chapter; and

"(2) to evaluate the therapeutic benefits and the cost-effectiveness of furnishing such chiropractic services to such veterans.

In developing the pilot program, the Administrator shall consult with the Secretary of Defense regarding the demonstration projects carried out by the Secretary under section 632(b) of the Department of Defense Authorization Act, 1985 (10 U.S.C. 1092 note).

"(b)(1) The Administrator shall, subject to subsection (c) of this section and under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services furnished to the veteran under the demonstration projects carried out under subsection (a) of this section, for which such veteran has made payment, if—

"(A) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine,

"(B) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a 12-month period prior to the furnishing of such chiropractic services, or

"(C) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine,

to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(2) The Administrator may, in lieu of reimbursing a veteran for a reasonable charge for chiropractic services under paragraph (1) of this subsection, make payment of the reasonable charge for such chiropractic services directly to the chiropractor who furnished such services.

"(c)(1) The Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of reasonable charges for chiropractic services furnished under the demonstration projects carried out under subsection (a) of this section. Such schedule shall be consistent with the reasonable charges allowed under section 1842 of the Social Security Act (42 U.S.C. 1395u).

"(2) The amount payable by the Administrator for chiropractic services furnished under such demonstration projects shall not exceed $600 in any 12-month period in the case of any veteran.

"(d)(1) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $2,000,000 in any fiscal year.

"(2) Expenditures for such services shall be made from appropriations that would otherwise have been expended for travel and incidental expenses under section 111 of this title.

"(e) Not later than April 1 of each of the years 1987, 1988, and 1989, the Administrator shall prepare and submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report on the pilot program carried out under this section during the preceding fiscal year. Each such report shall include for such fiscal year—

"(1) the number of requests made by eligible veterans for reimbursement or payment for chiropractic services under this section and the number of such veterans who made such requests;

"(2) the number of such reimbursements or payments made and the number of veterans to or for whom such reimbursements or payments were made; and

"(3) the total amount of the expenditures for such reimbursements and payments.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 630 the following new item:

"630A. Chiropractic services; pilot program.".

(b) Section 601 is amended by adding at the end the following new paragraph:

"(9) The term 'chiropractic services' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or

she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

## TITLE II—EXTENSIONS OF AUTHORITIES AND ELIGIBILITIES

### EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION

SEC. 201. Paragraph (3) of subsection (e) of section 610 is amended to read as follows:

"(3) Hospital and nursing home care and medical services may not be provided under or by virtue of subsection (a)(5) of this section after September 30, 1989.".

### COUNSELING FOR FORMER PRISONERS OF WAR

SEC. 202. (a)(1) Subchapter II of chapter 17 is further amended by adding after section 612A the following new section:

**"§ 612B. Eligibility for counseling for former prisoners of war**

"The Administrator may establish a program under which, upon the request of a veteran who is a former prisoner of war, the Administrator may, within the limits of Veterans' Administration facilities, furnish counseling to such veteran to assist such veteran in overcoming the psychological effects of such veteran's detention or internment as a prisoner of war.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 612A, the following:

"612B. Eligibility for counseling for former prisoners of war.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1985.

### ALCOHOL AND DRUG TREATMENT AND REHABILITATION

SEC. 203. (a) Section 620A is amended—

(1) in subsection (a)(1), by striking out "pilot" both places it appears;

(2) in subsection (e)—

(A) by striking out "fifth" and inserting in lieu thereof "eighth"; and

(B) by striking out "pilot";

(3) by amending subsection (f) to read as follows:

"(f)(1) The Administrator shall monitor the performance of each contract facility furnishing care and services under the program carried out under subsection (a) of this section to determine—

"(A) with respect to the program, the medical advantages and cost-effectiveness that result from furnishing such care and services;

"(B) with respect to the contract facilities generally—

"(i) the level of success under the program, considering—

"(I) the rate of successful rehabilitation for veterans furnished care and services under the program;

"(II) the rate of readmission to contract facilities under the program or to Veterans' Administration health-care facilities by such veterans with respect to disabilities referred to in subsection (a) of this section;

"(III) whether the care and services furnished under the program obviated the need of such veterans for hospitalization for such disabilities;

"(IV) the average duration of the care and services furnished such veterans under the program;

"(V) the ability of the program to aid in the transition of such veterans back into their communities; and

"(VI) any other factors that the Administrator considers appropriate;

"(ii) the total cost for the care and services furnished by each contract facility under the program;

"(iii) the average cost per veteran for the care and services furnished under the program; and

"(iv) the appropriateness of such costs, by comparison to—

"(I) the average charges for the same types of care and services furnished generally by other comparable halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities; and

"(II) the historical costs for such care and services for the period of time that the program carried out under subsection (a) of this section was a pilot program, taking into account economic inflation.

"(2) Not later than February 1, 1988, the Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the program during the preceding 4 fiscal years, including, but not limited to (A) a description of the care and services furnished, (B) the matters referred to in paragraph (1) of this subsection, and (C) the Administrator's findings, assessment, and recommendations regarding the program conducted under this section."; and

(4) by amending the catchline to read as follows:

**"§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities".**

(b) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities.".

## TITLE III—HEALTH-CARE MANAGEMENT

### VETERANS' ADMINISTRATION GRADE REDUCTION

SEC. 301. (a) Section 210(b) is amended by adding at the end the following new paragraph:

"(3)(A)(i) The Administrator may not in fiscal year 1986 or any subsequent fiscal year implement a grade reduction described in division (ii) of this subparagraph unless the Administrator first submits to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for such reduction and a detailed justification for the plan, including a determination by the Administrator, together with data supporting such determination, that, in the personnel area concerned, the Veterans' Administration has a disproportionate number of employees at the salary grade or grades selected for reduction in comparison to the number of such employees at the salary levels involved who perform comparable functions in other departments and agencies of the Federal Government and in non-Federal entities. Any such report shall be submitted not later than the beginning of a period of 90 calendar days (not including any day on which either House of Congress is not in session) prior to the implementation of any proposed grade reduction.

"(ii) A grade reduction referred to in division (i) of this subparagraph is a systematic reduction, for the purpose of reducing the average salary cost for Veterans' Administration employees described in division (iii) of this subparagraph, in the number of such Veterans' Administration employees at any specific grade level.

"(iii) The employees referred to in division (ii) of this subparagraph include—

"(I) health-care personnel who are determined by the Administrator to be providing either direct patient-care services or services incident to direct patient-care services; and

"(II) individuals who meet the definition of professional employee as set forth in section 7103(a)(15) of title 5 and are employed in the capacity of engineers or attorneys.

"(B) Not later than the forty-fifth day after the Administrator submits a report pursuant to subparagraph (A) of this paragraph, the Comptroller General of the United States shall submit to such Committees on Veterans' Affairs a report on the Administrator's compliance with such subparagraph and shall include in the report the Comptroller General's opinion as to the accuracy of the Administrator's determination (and of the data supporting such determination) made pursuant to such subparagraph.

"(C) In the case of Veterans' Administration employees not described in division (iii) of subparagraph (A) of this paragraph, the Administrator may not in any fiscal year implement a systematic reduction for the purpose of reducing the average salary cost for such Veterans' Administration employees that will result in a reduction in the number of such Veterans' Administration employees at any specific grade level at a rate greater than the rate of the reductions systematically being made in the numbers of employees at such grade level in all other agencies and departments of the Federal Government combined.".

### MEDICAL QUALITY-ASSURANCE RECORDS

SEC. 302. Section 3305 is amended—

(1) in subsection (a), by adding a comma and "other than reports submitted pursuant to section 4152 of this title," after "program"; and

(2) in subsection (b), by adding at the end the following new paragraph:

"(6) Nothing in this section shall be construed as authorizing or requiring withholding from any person or entity the disclosure of statistical information regarding Veterans' Administration health-care programs (including information on aggregate morbidity and mortality rates associated with specific activities at individual Veterans' Administration health-care facilities) that does not implicitly or explicitly identify individual Veterans' Administration patients or employees, or individuals who participated in the conduct of a medical quality-assurance review.".

### DISCIPLINARY BOARD ACTION INVOLVING CLINICAL PRIVILEGES

SEC. 303. Section 4110 is amended by adding at the end the following new subsections:

"(f) This section applies in any case in which a reduction or revocation of the clinical privileges of any person employed in a position described in paragraph (1) of section 4104 of this title is proposed by reason of a charge of inaptitude, inefficiency, or misconduct. A disciplinary board may recommend and the Administrator may impose a reduction or revocation of clinical privileges only (1) in a case in which, prior to the hearing under this section, such person has been provided with notice of the proposal to

reduce or revoke such privileges, and (2) on the basis of deficiency in such person's clinical practice.

"(g) Nothing in this section shall limit the Administrator's authority to protect the health and safety of veterans by temporarily reassigning an employee for the purpose of suspending the employee's exercise of clinical privileges, or for the purpose of otherwise restricting the employee's clinical activities, pending the outcome of a proceeding under this section.".

QUALITY ASSURANCE AND CREDENTIALING

SEC. 304. (a) Chapter 73 is amended by adding at the end the following new subchapter:

"Subchapter V—Quality Assurance

"§ 4151. Responsibilities for quality assurance

"(a) The Administrator shall—

"(1) establish and conduct a comprehensive quality-assurance program to monitor and evaluate the quality of health care furnished by the Department of Medicine and Surgery;

"(2) delineate the responsibilities of the Department of Medicine and Surgery with respect to the conduct of the Veterans' Administration quality-assurance program; and

"(3) allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the Department of Medicine and Surgery to carry out such delineated quality-assurance responsibilities.

"(b) The Inspector General of the Veterans' Administration shall allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the Inspector General to monitor the quality-assurance program conducted by the Department of Medicine and Surgery.

"(c) The Administrator shall, as part of the comprehensive quality-assurance program established and conducted pursuant to subsection (a)(1) of this section, require the Chief Medical Director—

"(1) in consultation with the Assistant Secretary of Defense for Health Affairs and the Surgeons General of the Armed Forces and other appropriate professional bodies, to establish and maintain a compilation of prevailing national mortality and morbidity standards for each type of surgical procedure conducted by the Department of Medicine and Surgery;

"(2)(A) to collect data on mortality and morbidity rates for each surgical procedure, conducted by the Department of Medicine and Surgery; and

"(B) to compile such data for inclusion in the report to be submitted pursuant to section 4152 of this title (i) for each cardiac surgery, heart transplant, and renal transplant program, and (ii) in the aggregate, for each other such surgical procedure;

"(3) to—

"(A) compare the data so compiled to the standards compiled pursuant to clause (1) of this subsection,

"(B) make an analysis of the relationship between such data and the (i) characteristics of the patient population, (ii) the level of risk for the procedure involved, based on patient age, the type and severity of the disease, the effect of any complicating diseases, and the degree of difficulty of the procedure, and (iii) any other factors that the Chief Medical Director considers appropriate,

"(C) evaluate such data in light of the factors described in divisions (i) through (iii) of subclause (B) of this clause in order to determine whether there are any significant deviations from the standards that would indicate deficiencies in the quality of care, and

"(D) explain any such deviations; and

"(4) to make any recommendations based on data compiled and the comparisons, analyses, evaluations, and explanations made pursuant to clause (3) of this subsection.

"§ 4152. Reports

"(a) Not later than January 1 of 1987, 1989, and 1991, the Chief Medical Director shall submit a report to the Administrator on the experience through the end of the prior fiscal year under the quality-assurance program carried out pursuant to section 4151(a) of this title. Each such report shall include the data compiled and the comparisons, analyses, evaluations, and explanations made pursuant to subsection (c)(3) of section 4151 of this title with respect to the period covered by such report and any recommendations made pursuant to subsection (c)(4) of such section. Not later than 60 days after receiving each such report, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a copy of the report, together with any comments concerning the report that the Administrator considers appropriate.

"(b) A report submitted pursuant to subsection (a) of this section shall not be considered a record or document as described in section 3305(a) of this title.".

(b) The table of sections at the beginning of chapter 73 is amended by adding at the end the following:

"SUBCHAPTER V—QUALITY ASSURANCE

"4151. Responsibilities for quality assurance.

"4152. Reports.".

(c)(1) Not later than 90 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report describing in detail the Veterans' Administration's current efforts and future plans for monitoring the credentials of Veterans' Administration health-care professionals.

(2) The report required to be submitted by paragraph (1) shall include a description of the Veterans' Administration's policies, procedures, and formal arrangements regarding the exchange of relevant information with—

(A) appropriate State medical or other health-professional licensing bodies;

(B) the Federation of State Medical Boards;

(C) the American Medical Association; and

(D) such other public or private entities as the Administrator considers appropriate that are involved with the issuance or monitoring of health-care professional licenses

in order (i) to determine the current and past licensure and clinical privilege status for those health-care professionals who are seeking employment with or who are currently employed by the Veterans' Administration, and (ii) to provide appropriate information to such entities about each health-care professional whose employment with the Veterans' Administration is terminated—

(I) following the completion of a disciplinary action relating to such health-care professional's clinical competence,

(II) voluntarily after having had such health-care professional's clinical privileges restricted or revoked, or

(III) voluntarily after serious concerns about such health-care professional's clinical competence have been raised but not resolved.

(3) With reference to any policies, procedures, or formal arrangements described in paragraph (2) which have not been implemented at the time the report required to be submitted by paragraph (1) is submitted to the Committees, the Administrator shall include in the report a timetable for the implementation of such policies, procedures, and arrangements and shall thereafter report to the Committees on implementation progress every 3 months until full implementation is achieved, at which point a final such report shall be submitted to the Committees.

## TITLE IV—MEDICAL FACILITY CONSTRUCTION AND PLANNING

### PART A—PERMANENT ANNUAL AUTHORIZATION PROCESS

ANNUAL VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AUTHORIZATIONS

SEC. 401. (a) Section 5004 is amended—

(1) in subsection (a)—

(A) in clause (1), by striking out "unless each committee has first adopted a resolution approving such construction, alteration, or acquisition and setting forth the estimated cost thereof; and" and inserting in lieu thereof "except as authorized by a law based on legislation reported from the committees setting forth the amount that may be appropriated and expended for such construction, alteration, or acquisition;"; and

(B) by redesignating clause (2) as clause (4) and inserting the following new clauses (2) and (3):

"(2) no funds may be expended to construct, remodel, extend, or acquire, or develop preliminary plans (except to the extent necessary to develop project requirements) for, a medical facility for the furnishing of hospital care if the construction, remodeling, extension, or acquisition involves a total expenditure of more than $20,000,000, except as authorized by a law based on legislation reported from the committees;

"(3) no new or replacement medical facility shall be constructed or acquired within excess of 700 hospital beds and no project that involves a total expenditure of more than $20,000,000 for remodeling or extending a medical facility for the furnishing of hospital care shall be undertaken if upon completion of such project the number of hospital beds at the facility would exceed 700; and";

(2) by amending subsection (c) to read as follows:

"(c) The contract price for any construction, alteration, lease, or other acquisition that is approved by a law or resolutions described in subsection (a) of this section may exceed the amount set forth pursuant to such subsection in the pertinent provisions of such law or resolutions by an amount determined by multiplying such amount by the lesser of (1) the percent, if any, as determined by the Administrator, by which construction, alteration, lease, or other acquisition costs, as the case may be, increased from the date of such approval to the date of contract, or (2) 10 percent."; and

(3) in subsection (d) by striking out "for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section" and inserting in lieu thereof "by each committee under subsection (a) of this section for a lease".

(b)(1) Except as provided in paragraph (2) of this subsection, the amendments made by

subsection (a) shall take effect on October 1, 1986.

(2) The amendments made by subsection (a)(1) shall take effect with respect to appropriations for fiscal year 1987 but shall not apply with respect to appropriations or expenditures for the construction, alteration, or acquisition of a medical facility if such construction, alteration, or acquisition was approved in resolutions adopted by the Committees on Veterans' Affairs of the Senate and the House of Representatives prior to September 30, 1985.

VETERANS' ADMINISTRATION HOSPITAL FACILITY PLANNING

SEC. 402. (a) Subchapter I of chapter 81 is amended by inserting after section 5004 the following new section:

"§ 5004A. Hospital facility planning

"(a) In order to ensure that decisions regarding the need for and size of each proposed new or replacement Veterans' Administration medical facility for the furnishing of hospital care are made taking into account appropriate statutory eligibility and priorities for health care from the Veterans' Administration, the Administrator of Veterans' Affairs and the Comptroller General of the United States, after consultation with the Assistant Secretary of Defense for Health Affairs, veterans' service organizations, and representatives of the private hospital industry, shall jointly develop and submit to the appropriate committees of the Congress a methodology for determining the appropriate types of hospital beds and the appropriate numbers of each type of hospital bed to be provided for in each proposed project for the construction of new or replacement facilities for the furnishing of hospital care by the Veterans' Administration.

"(b) The methodology developed pursuant to subsection (a) of this section shall take into account (1) the projected need for health care of veterans residing in the geographic area to be served by the proposed health-care facility who have service-connected disabilities and veterans residing in such areas who meet the income criteria for the receipt of pension under chapter 15 of this title, and (2) any recent or planned changes in treatment modalities for the furnishing of inpatient and outpatient care which might affect the demand for inpatient bed capacity.

"(c)(1) Not later than October 1, 1986, the Administrator and the Comptroller General shall submit to the appropriate committees of the Congress a joint report on the methodology developed pursuant to subsection (a) of this section.

"(2) Not later than October 1, 1987, the Administrator and the Comptroller General shall submit to such committees a joint report on the implementation of such methodology.

"(3) The Comptroller General shall submit to such committees such further reports as the Comptroller General considers appropriate regarding the implementation of such methodology or regarding the need to revise such methodology.

"(d) No funds may be expended after April 1, 1987, for the development of preliminary plans for a facility described in subsection (a) of this section unless the types of beds and number of each type to be provided in such facility are based on the methodology developed pursuant to subsection (a) of this section.".

(b) The table of sections at the beginning of chapter 81 is amended by inserting after the item relating to section 5004 the following:

"5004A. Hospital facility planning.".

PART B—FISCAL YEAR 1986 CONSTRUCTION AUTHORIZATIONS

VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AUTHORIZATIONS FOR FISCAL YEAR 1986

SEC. 411. (a) For the purposes of the medical facility construction projects referred to in subsection (b) and other construction projects and for other purposes, there are authorized to be appropriated to the Veterans' Administration for fiscal year 1986 (1) $417,200,000 to any appropriations account from which payments for medical facility construction projects estimated to cost $2,000,000 or more are made, and (2) $194,400,000 to any appropriations account from which payments for medical facility construction projects estimated to cost less than $2,000,000 are made.

(b)(1) Except as provided in paragraph (2) and subject to the limitation in subsection (a)(1), the maximum amounts authorized to be appropriated and expended for the following medical facility construction projects are as follows:

(A) Houston, Texas (Replacement and Modernization), $226,800,000.

(B) Mountain Home, Tennessee (Bed Towers and Modernization), $59,000,000.

(C) Philadelphia, Pennsylvania (Clinical Addition, Renovation, Parking, and 240-bed Nursing Home Care Unit), $110,400,000.

(2) Subject to paragraph (3) and to the limitation in subsection (a)(1), the maximum amounts authorized to be appropriated and expended for the following projects are further limited as follows:

(A) Houston, Texas (Replacement and Modernization), $170,400,000.

(B) Mountain Home, Tennessee (Bed Towers and Modernization), $35,800,000.

(C) Philadelphia, Pennsylvania (Clinical Addition, Renovation, Parking, and 240-bed Nursing Home Care Unit), $85,600,000.

(3) The maximum amount set forth in paragraph (2) with respect to each project shall apply to that project unless the Administrator of Veterans' Affairs, not later than 60 days after the date of the enactment of this Act, submits to the appropriate committees of the Congress a certification by the Administrator with respect to the project that a contract for work on the physical structure or structures in which hospital care is to be furnished at a bedsize level consistent with such maximum amounts cannot feasibly be awarded within 180 days after (i) the date on which a contract for such construction work was scheduled as of June 1, 1985, to be awarded for the projects described in paragraphs (2)(A) and (B), and (ii) September 1, 1986, for the project described in paragraph (2)(C). Such certification shall be accompanied by submissions of three architectural/engineering firms (one of which is the firm retained by the Veterans' Administration to complete the plans for the project, one of which is a firm selected by the American Institute of Architects at the Administrator's request, and one of which is a firm selected by the Comptroller General of the United States), at least two of which support the Administrator's certification.

(c) Funds are authorized to be expended in fiscal year 1986 from the working reserve in the Veterans' Administration construction, major projects, account, to the extent consistent with and permitted pursuant to applicable provisions of law in effect on the date of the enactment of this Act, for the redesign of projects identified in paragraph (2) of subsection (b) and for the following projects if the total estimated expenditures involved in the completion of each project as redesigned is no more than the applicable amount specified for such project in such paragraph or as follows:

(1) Augusta, Georgia (Replacement Medical Center), $94,000,000.

(2) Baltimore, Maryland (Replacement Medical Center), $88,800,000.

(3) New York, New York (Outpatient/Clinical Additions and Alterations), $70,600,000.

PART C—ALTERNATIVES TO AND FOR CONSTRUCTION

CONSIDERATION OF PURCHASING OR LEASING MEDICAL FACILITIES

SEC. 421. (a) Section 5002 is amended by adding at the end the following new subsection:

"(d)(1) In connection with the assessment of the health-care needs of veterans in a particular area for the purpose of planning how best to meet such needs, the Administrator shall develop criteria for determining whether to proceed with planning for the construction or acquisition of a new or replacement medical facility and, if it is determined to proceed, for choosing among the alternatives of constructing the facility, leasing an existing medical facility that satisfies the requirements of paragraph (3) of this subsection, or purchasing an existing medical facility that satisfies such requirements.

"(2) After January 1, 1986, the Administrator shall not proceed to develop preliminary plans for a new or replacement medical facility except in accordance with the criteria established under paragraph (1) of this subsection and after considering the option of leasing or purchasing an existing facility that satisfies the requirements of paragraph (3) of this subsection.

"(3) A facility satisfies the requirements of this paragraph if—

"(A) the facility is available, or will be available in timely fashion in the foreseeable future, for purchase or lease;

"(B) the facility meets the current and projected needs and specifications of the Veterans' Administration for furnishing health care to eligible veterans residing within a 100-mile radius of where the new or replacement facility is planned to be located, or is adaptable to meet such needs and specifications;

"(C) the facility can be acquired at an estimated cost (including the costs of any necessary adaptation) that does not exceed the estimated cost of construction of a medical facility to meet such needs and specifications; and

"(D) the estimated cost of operating the facility (after adaptation, if necessary) does not exceed the estimated cost of operating a medical facility that would otherwise be constructed.".

(b) Clause (1) of section 5004(b) is amended by inserting "and, in the case of a prospectus proposing the construction of a new or replacement medical facility, a description of the consideration that was given, pursuant to criteria established under section 5002(d) of this title, to acquiring an existing facility by lease or purchase" after "such facility".

CONTRACT FOR CONSTRUCTION AND OPERATION OF A NURSING HOME

SEC. 422. (a) The Administrator of Veterans' Affairs shall enter into a contract with an appropriate entity for the construction and operation of a facility for furnishing solely to veterans eligible for nursing home care under chapter 17 of title 38, United

States Code, nursing home care that meets the current and projected needs and specifications (including those relating to location and site selection) of the Veterans' Administration. The contract shall—

(1) for a 5-year period following the completion of construction, require the contractor to staff, equip, and operate the nursing home in such a manner as to provide the types, levels, and quality of care that would be provided if the facility were being operated directly by the Veterans' Administration;

(2) provide the Administrator with the option to renew the contract for an additional term not to exceed 5 years;

(3) require the Administrator to refer a sufficient number of eligible veterans who require nursing home care to the nursing home to ensure a specific occupancy rate for the nursing home for the term of the contract, which rate shall be approximately equal to the average occupancy rate nationwide for Veterans' Administration nursing homes except that a higher rate may be required if the Administrator determines that such higher rate is in the best interests of the Federal Government;

(4) provide that the per diem rate payable to the contractor by the Veteran's Administration shall not exceed the average daily costs to the Veterans' Administration of operating Veterans' Administration facilities for the furnishing of nursing home care;

(5) provide that all rights, title, and interest in the facility constructed under the contract shall vest in the United States; and

(6) contain such other provisions as the Administrator determines are in the best interests of the United States.

(b) The provisions of subsection (a) shall take effect on October 1, 1985.

FEASIBILITY PLAN FOR THE PURCHASE OF A FACILITY FOR FURNISHING HOSPITAL AND NURSING HOME CARE

SEC. 423. In the documents submitted by the Administrator of Veterans' Affairs to the appropriate committees of the Congress at the time of and in connection with the submission, pursuant to section 1105 of title 31, of the Budget for fiscal year 1987, the Administrator shall provide a feasibility plan for the purchase for Veterans' Administration use of a medical facility that is located in an urban area and is suitable for furnishing both hospital and nursing home care services, and meets the current and projected needs and specifications of the Veterans' Administration for furnishing health care to eligible veterans. In such Budget, the President, as warranted by such feasibility plan, shall include a request for an appropriate amount to purchase such a facility which meets those needs and specifications.

DEVELOPMENT OF MEDICAL-FACILITY MODULAR COMPONENTS

SEC. 424. In order to evaluate the applicability to the Veterans' Administration of the use of modular components in the design and construction of medical facilities for the furnishing of hospital care and to determine the efficiency and cost-effectiveness of that approach, the Administrator of Veterans' Affairs shall, not later than 180 days after the date of the enactment of this Act, enter into a contract for the development of such a modular approach to the planning and design of an appropriate Veterans' Administration medical facility for the furnishing of hospital care.

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL, CONFORMING AMENDMENT RELATING TO THE CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING

SEC. 501. Section 612A(g)(1)(B) is amended by striking out "who requested such counseling before such date" and inserting in lieu thereof "who request such counseling".

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

SEC. 502. (a) The Congress makes the following findings:

(1) In recent years some United States citizens have been held in captivity as political hostages or have been victims of other terrorist acts.

(2) The United States citizens who were passengers on Trans World Airlines flight number 847 on June 14, 1985, were victims of a hijacking of such flight and some of those passengers were subsequently held in captivity as political hostages.

(3) The experience of being held in captivity as a political hostage is a traumatic event that is outside the range of usual human experience.

(4) Stressful experiences connected with such a traumatic event can be expected to evoke in some victims certain psychological reactions, including symptoms of stress, which may be manifested shortly after the event or may be manifested weeks, months, or even years later.

(5) There is no established program under which United States citizens may obtain systematic assistance in copying with the short-term or long-term personal effects of captivity as political hostages after they return home.

(6) The Veterans' Administration has developed expertise in providing readjustment assistance to veterans who have experienced traumatic and stressful events outside the range of usual human experience as a result of military combat.

(7) The Veterans' Administration medical centers, including 13 specially designated inpatient units for veterans with post-traumatic stress disorder, 187 readjustment counseling centers and satellite facilities for Vietnam-era veterans, and the National Center on Post-Traumatic Stress Disorder have staff with expertise (A) in diagnosing and treating veterans who have experienced traumatic and stressful events, and (B) in training Veterans' Administration and other health-care personnel in, and conducting research and exchanging information relating to, diagnosis and treatment of such veterans.

(b) The Administrator of Veterans' Affairs shall take appropriate action otherwise authorized by law to ensure that the expertise of the Veterans' Administration in diagnosing and treating individuals who have experienced unusual trauma and stress and in training health care personnel on such matters is made available to other Federal Government agencies and other appropriate organizations which are providing assistance to United States citizens who were passengers on Trans World Airlines flight number 847 on June 14, 1985, or other United States citizens returning from captivity as political hostages, to attempt to minimize the potential short-term or long-term adverse psychological effects of such captivity on them.

REPORT ON FEDERAL GOVERNMENT RESPONSIBILITY TO INDIVIDUALS WHO SERVED WITH VOLUNTARY CIVILIAN ORGANIZATIONS IN VIETNAM

SEC. 503. (a)(1) The purpose of this section is to provide a basis for the executive branch and the Congress to evaluate the question of United States Government responsibility, and alternative approaches, for providing individuals who, for a period of at least 30 days during the Vietnam era, were employed in the Republic of Vietnam by (including having served there under the auspices of) voluntary organizations, determined by the Administrator of Veterans' Affairs, in consultation with the Secretary of Defense, to be organizations which provided significant assistance to the United States Armed Forces in the Republic of Vietnam during the Vietnam era, with Federal and other benefits and services (including, but not limited to, health care and monetary compensation for disabilities which may be related to their experiences during such employment in the Republic of Vietnam), either through the Veterans' Administration or otherwise, and for assisting such individuals in connection with disabilities they may have incurred as a result of such employment.

(2) In order to carry out the purpose stated in paragraph (1), the Administrator, the Secretary of Defense, and the Secretary of Health and Human Services, not later than 180 days after the date of the enactment of this Act, shall submit to the appropriate committees of the Congress a joint report on the question of United States Government responsibility and shall include in such report various alternative approaches (together with comments on the appropriateness and the advantages and disadvantages of each) and any recommendations by such officials for legislative and administrative action with respect thereto, for establishing a program for providing such benefits, services, and assistance to such individuals.

(b) For the purpose of this section—

(1) the term "Armed Forces" has the meaning given such term in section 101(10) of title 38, United States Code; and

(2) the term "Vietnam era" means the periods described in section 101(29) (as amended by section 201(a) of this Act) of such title.

LAND TRANSFER, PHOENIX, ARIZONA

SEC. 504. (a) The real property described in subsection (b) and the structures thereon on the date of the enactment of this Act shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.

(b) The real property referred to in subsection (a) is a tract of land consisting of 3.25 acres, more or less, in Phoenix, Arizona, that—

(1) was formerly part of the Veterans' Administration Medical Center, Phoenix, Arizona; and

(2) was declared to be excess to the needs of the Veterans' Administration in a report to the General Services Administration dated September 25, 1959.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH

SEC. 505. (a) Section 2 of the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah", approved July 29, 1954 (68 Stat. 580), is amended to read as follows:

"SEC. 2. Any conveyance under the first section of this Act—

"(1) shall provide that the tract conveyed may be used only for hospital, educational, civic, residential, or related purposes;

"(2) shall provide that, if any part of such tract is used in any manner that is deter-

mined by the Administrator of Veterans' Affairs to interfere with the care and treatment of any patient at a Veterans' Administration health-care facility located in the reservation described in such section, such use shall cease immediately upon notice by the Administrator of such interference to the Armory Board, State of Utah, and to each person using such part in such manner;

"(3) shall provide that, if any part of such tract is used for a purpose other than a purpose prescribed in paragraph (1), title to such part shall revert to the United States;

"(4) shall provide that, if any interference referred to in paragraph (2) does not cease as required under such paragraph, title to the part of such land that is being used in a manner to cause such interference shall revert to the United States; and

"(5) shall contain such additional terms and conditions (including reservations of rights for the United States) as the Administrator of Veterans' Affairs determines to be necessary to protect the interests of the United States.".

(b) The Administrator of Veterans' Affairs shall convey, without consideration, to the Armory Board, State of Utah, all right, title, and interest of the United States in the fence erected as required by the quitclaim deed issued to the Armory Board by the Administrator on October 14, 1954, under the authority of the Act referred to in subsection (a). The conveyance shall contain such terms and conditions as the Administrator determines to be necessary to protect the interests of the United States.

(c) The Administrator of Veterans' Affairs shall execute any documents that are necessary to bring the conveyance made under the authority of the Act referred to in subsection (a) into conformity with the amendment made by such subsection.

*MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN*

SEC. 506. (a) The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit Milwaukee County, Wisconsin, to lease all or part of such land to a nonprofit corporation which shall (1) construct and equip on such land structures, facilities, and other permanent improvements useful for public recreational purposes or general civic purposes, and (2) use such land for such recreational or civic purposes. The Administrator may carry out the preceding sentence subject to such terms and conditions (including reservations of rights for the United States) as the Administrator determines to be necessary to protect the interests of the United States.

(b) The land referred to in subsection (a) is (1) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act to authorize the Administrator of Veterans' Affairs to convey lands and to lease certain other land to Milwaukee County, Wisconsin", approved September 1, 1949 (63 Stat. 683), and (2) the land conveyed to Milwaukee County, Wisconsin, pursaunt to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 866).

*SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE*

SEC. 507. (a)(1) Subsection (a) of section 767 is amended—

(A) by striking out "35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000 $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, such member may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b)(1) Subsection (a) of section 777 is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the sentence immediately following the matter inserted by clause (A) and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' shall have the meaning prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) The amendments made by subsections (a) and (b) shall take effect on January 1, 1986.

*EXTENSION OF THE PERIOD FOR ENTERING INTO TRAINING UNDER THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983*

SEC. 508. Section 17(2) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note) is amended by striking out "September 1, 1985" and inserting in lieu thereof "March 1, 1986".

*EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES*

SEC. 509. Section 230(b) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

*TITLE VI—EFFECTIVE DATE*

SEC. 601. Except as otherwise provided in sections 202(b), 401(b), 422(b), and 507(c) of this Act, the provisions of and amendments made by this Act shall take effect on the date of the enactment of this Act.

Amend the title so as to read: "An Act to amend title 38, United States Code, to establish, extend, and improve certain Veterans' Administration health-care programs, and for other purposes.".

House amendment to the Senate amendment to the text of H.R. 505: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

*SECTION 1. SHORT TITLE; TABLE OF CONTENTS.*

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Administration Health-Care Amendments of 1985".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—HEALTH-CARE PROGRAMS

SEC. 101. ALCOHOL AND DRUG TREATMENT AND REHABILITATION.

(a) EXTENSION OF SPECIAL CONTRACT AUTHORITY.—Section 620A is amended—

(1) in subsection (a)(1)—

(A) by striking out "may conduct a pilot program under which the Administrator" in the first sentence; and

(B) by striking out the second sentence;

(2) by striking out "October 31, 1985" in subsection (e) and inserting in lieu thereof "September 30, 1988"; and

(3) by striking out subsection (f) and inserting in lieu thereof the following:

"(f)(1) The Administrator shall monitor the performance of each contract facility furnishing care and services under the program carried out under subsection (a) of this section.

"(2) The Administrator shall use the results of such monitoring to determine—

"(A) with respect to the program, the medical advantages and cost-effectiveness that result from furnishing such care and services; and

"(B) with respect to such contract facilities generally, the level of success under the program, considering—

"(i) the rate of successful rehabilitation for veterans furnished care and services under the program;

"(ii) the rate of readmission to contract facilities under the program or to Veterans' Administration health-care facilities by such veterans for care or services for disabilities referred to in subsection (a) of this section;

"(iii) whether the care and services furnished under the program obviated the need of such veterans for hospitalization for such disabilities;

"(iv) the average duration of the care and services furnished such veterans under the program;

"(v) the ability of the program to aid in the transition of such veterans back into their communities; and

"(vi) any other factor that the Administrator considers appropriate.

"(3) The Administrator shall maintain records of—

"(A) the total cost for the care and services furnished by each contract facility under the program;

"(B) the average cost per veteran for the care and services furnished under the program; and

"(C) the appropriateness of such costs, by comparison to—

"(i) the average charges for the same types of care and services furnished generally by other comparable halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities; and

"(ii) the historical costs for such care and services for the period of time that the program carried out under subsection (a) of this section was a pilot program, taking into account economic inflation.

"(4) Not later than February 1, 1988, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the experience under the program carried out under this section during fiscal years 1984 through 1987. The report shall include—

"(A) a description of the care and services furnished;

"(B) the matters referred to in paragraphs (1), (2), and (3) of this subsection; and

"(C) the Administrator's findings, assessment, and recommendations regarding the program under this section.".

(b) CONFORMING AMENDMENTS.—(1) The heading for such section is amended by striking out the semicolon and the last two words.

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended by striking out the semicolon and the last two words.

SEC. 102. SPECIAL CONTRACT-CARE AUTHORITY OUTSIDE THE 48 CONTIGUOUS STATES.

(a) REVISION OF SPECIAL CONTRACT CARE AUTHORITY.—Section 601(4)(C)(v) is amended—

(1) by striking out "(except with respect to Alaska and Hawaii) shall expire on October 31, 1985" and inserting in lieu thereof "with respect to the Commonwealth of Puerto Rico shall expire on September 30, 1988"; and

(2) by striking out "and to the Virgin Islands".

(b) PHASE-OUT OF SPECIAL AUTHORITY IN PUERTO RICO.—(1) Effective on October 1, 1988, such section is amended—

(A) by inserting "(other than the Commonwealth of Puerto Rico)" after "in a State"; and

(B) by striking out "contiguous States" the second place it appears and all that follows through "medical services;" and inserting in lieu thereof "contiguous States and the Commonwealth of Puerto Rico;".

(2) During fiscal year 1986, the obligations incurred for Puerto Rico contract care may not exceed 85 percent of the obligations incurred for such care for fiscal year 1985.

(3) During fiscal year 1987, the obligations incurred for Puerto Rico contract care may not exceed 50 percent of the obligations incurred for such care for fiscal year 1985.

(4) During fiscal year 1988, the obligations incurred for Puerto Rico contract care may not exceed 25 percent of the obligations incurred for such care for fiscal year 1985.

(5) For the purpose of this subsection, the term "obligations incurred for Puerto Rico contract care" means the total obligations incurred during a fiscal year for medical services for veterans residing in the Commonwealth of Puerto Rico under the Administrator's authority to contract for hospital care or medical services under clause (v) of section 601(4)(C) of title 38, United States Code, in the Commonwealth of Puerto Rico.

SEC. 103. EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION.

Section 610(e)(3) is amended by striking out "after the end of" and all that follows and inserting in lieu thereof "after September 30, 1989.".

SEC. 104. OUTPATIENT AND AMBULATORY SERVICES FOLLOWING NURSING HOME OR DOMICILIARY CARE.

Section 612(f)(1) is amended—

(1) by striking out "where" the first two places it appears and inserting in lieu thereof "if";

(2) by inserting a comma and "nursing home care, or domiciliary care" after "hospital care" the second place it appears;

(3) by striking out "hospital" the fourth place it appears; and

(4) by striking out "in-hospital" and inserting in lieu thereof "such".

SEC. 105. VIETNAM VETERAN RESOURCE CENTERS PILOT PROGRAM.

Section 612A is amended by adding at the end the following new subsection:

"(h)(1) During the period beginning on January 1, 1986, and ending on September 30, 1988, the Administrator shall conduct a pilot program to provide and coordinate the provision of services described in paragraph (2) of this subsection. The pilot program shall be carried out in order to evaluate the effectiveness, feasibility, and desirability of providing veterans eligible for readjustment counseling under this section with additional services through facilities furnishing such counseling.

"(2) The services referred to in paragraph (1) of this subsection are—

"(A) counseling with respect to, and assistance in applying for, all benefits and services under laws administered by the Veterans' Administration for which veterans participating in the pilot program may be eligible;

"(B) employment counseling, training, placement, and related services described in sections 2003 and 2003A of this title or provided under any other law administered by the Secretary of Labor;

"(C) initial intake and referral services with respect to disabilities related to alcohol or drug dependence or abuse and followup services for veterans who have received treatment for such disabilities; and

"(D) assistance in coordinating the provision of benefits and services to veterans participating in the pilot program with respect to such veterans' receipt of—

"(i) services provided under the pilot program; and

"(ii) other benefits and services provided under laws administered by the Veterans' Administration, the Secretary of Labor, or any other Federal agency or official.

"(3)(A) In order to carry out the pilot program, the Administrator shall—

"(i) designate as sites for demonstration projects 10 facilities which on the date of the enactment of this section are providing readjustment counseling under this section; and

"(ii) assign such staff and other resources to such facilities as are necessary to enable such facilities to provide the services referred to in subparagraphs (A) and (C) of paragraph (2) of this subsection.

"(B) Facilities designated under subparagraph (A) of this paragraph shall be known as Vietnam Veteran Resource Centers (hereinafter in this subsection referred to as 'Centers').

"(4) The Administrator—

"(A) shall be responsible for coordinating the assignment and use of employees, on full- or part-time bases, as appropriate, in each Center; and

"(B) shall, in carrying out that responsibility, make maximum feasible use of the Veterans' Administration employees who are providing services at each facility on the date it is designated as a Center under this subsection.

"(5) The Secretary of Labor shall provide for the assignment to each Center, on full- or part-time bases, as the Secretary considers appropriate, of disabled veterans' outreach specialists appointed under section 2003A of this title or employees on the staffs of local employment service offices who are assigned to perform services under section 2004 of this title.

"(6) Not later than April 1, 1987, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the experience under the pilot program during its first 15 months of operation. The report shall include—

"(A) the Administrator's assessment of—

"(i) the effectiveness of the pilot program in providing and coordinating the provision of the services described in paragraph (2) of this subsection and counseling and services furnished under subsections (a) and (b) of this section; and

"(ii) the appropriateness of the use of the personnel assigned to the program;

"(B) a description of any administrative action that the Administrator plans to take generally to increase the coordination of the provision of such services to veterans eligible for readjustment counseling services under this section;

"(C) any recommendation that the Administrator considers appropriate; and

"(D) a comparison of such assessment, plans, and recommendations with the evaluation of and the recommendations relating to the readjustment counseling program included in the report required by subsection (g)(2) of this section.

"(7) Not later than January 1, 1989, the Administrator shall submit to such Committees a final report on the pilot program. The report shall include—

"(A) updates of all information provided in the report submitted pursuant to paragraph (6) of this subsection; and

"(B) the Administrator's final assessment of the pilot program based on 33 months of operation.".

SEC. 106. TECHNICAL AMENDMENT RELATING TO CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING.

Section 612A(g)(1)(B) is amended by striking out "who requested counseling before such date" and inserting in lieu thereof "who request such counseling".

SEC. 107. COUNSELING FOR FORMER PRISONERS OF WAR.

(a) IN GENERAL.—Subchapter II of chapter 17 is amended by inserting after section 612A the following new section:

"§ 612B. Counseling for former prisoners of war

"The Administrator may establish a program under which, upon the request of a veteran who is a former prisoner of war, the Administrator, within the limits of Veterans' Administration facilities, furnishes counseling to such veteran to assist such veteran in overcoming the psychological effects of the veteran's detention or internment as a prisoner of war.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 612A the following new item:

"612B. Counseling for former prisoners of war.".

SEC. 108. TRANSFERS FOR NURSING HOME CARE.

(a) IN GENERAL.—Subsection (a) of section 620 is amended to read as follows:

"(a)(1) Subject to subsection (b) of this section, the Administrator may transfer to a non-Veterans' Administration nursing home, for care at the expense of the United States—

"(A) a veteran—

"(i) who has been furnished hospital care, nursing home care, or domiciliary care by the Administrator in a facility under the direct jurisdiction of the Administrator; and

"(ii) who the Administrator determines—

"(I) requires a protracted period of nursing home care which can be furnished in the non-Veterans' Administration nursing home; and

"(II) in the case of a veteran who has been furnished hospital care in a facility under the direct jurisdiction of the Administrator, has received maximum benefits from such care; and

"(B) a member of the Armed Forces—

"(i) who has been furnished care in a hospital of the Armed Forces;

"(ii) who the Secretary concerned determines has received maximum benefits from such care but requires a protracted period of nursing home care; and

"(iii) who upon discharge from the Armed Forces will become a veteran.

"(2) The Administrator may transfer a person to a nursing home under this subsection only if the Administrator determines that the cost to the United States of the care of such person in the nursing home will not exceed—

"(A) the amount equal to 45 percent of the cost of care furnished by the Veterans' Administration in a general hospital under the direct jurisdiction of the Administrator (as such cost may be determined annually by the Administrator); or

"(B) the amount equal to 50 percent of such cost, if such higher amount is determined to be necessary by the Administrator (upon the recommendation of the Chief Medical Director) to provide adequate care.

"(3) Nursing home care may not be furnished under this subsection at the expense of the United States for more than six months in the aggregate in connection with any one transfer except—

"(A) in the case of a veteran—

"(i) who is transferred to a non-Veterans' Administration nursing home from a hospital under the direct jurisdiction of the Administrator; and

"(ii) whose hospitalization was primarily for a service-connected disability;

"(B) in a case in which the nursing home care is required for a service-connected disability; or

"(C) in a case in which, in the judgment of the Administrator, a longer period of nursing home care is warranted.

"(4) A veteran who is furnished care by the Administrator in a hospital or domiciliary facility in Alaska or Hawaii may be furnished nursing home care at the expense of the United States under this subsection even if such hospital or domiciliary facility is not under the direct jurisdiction of the Administrator.".

(b) ADMISSION TO CONTRACT NURSING HOMES OF CERTAIN VETERANS.—Subsection (d) of such section is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "to any public or private institution not under the jurisdiction of the Administrator which furnishes nursing home care" in the first sentence and inserting in lieu thereof "to any non-Veterans' Administration nursing home";

(3) by inserting after the first sentence the following new sentence: "The Administrator may also authorize a direct admission to such a nursing home for nursing home care for any veteran who has been discharged from a hospital under the direct jurisdiction of the Administrator and who is currently receiving medical services as part of home health services from the Veterans' Administration.";

(4) by striking out the sentence beginning "Such admission" and inserting in lieu thereof the following:

"(2) Direct admission authorized by paragraph (1) of this subsection may be authorized upon determination of need therefor—

"(A) by a physician employed by the Veterans' Administration; or

"(B) in areas where no such physician is available, by a physician carrying out such function under contract or fee arrangement, based on an examination by such physician."; and

(5) by designating the last sentence as paragraph (3).

(c) DEFINITION OF NON-VETERANS' ADMINISTRATION NURSING HOME.—Subsection (e) of such section is amended—

(1) by inserting "(1)" after "(e)";

(2) by striking out "subsection (a)(ii)" in the second sentence and inserting in lieu thereof "subsection (a)(2)(B)"; and

(3) by adding at the end the following:

"(2) For the purposes of this section, the term 'non-Veterans' Administration nursing home' means a public or private institution not under the direct jurisdiction of the Administrator which furnishes nursing home care.".

(d) IMPROVEMENT IN PENSION PROGRAM ADMINISTRATION.—(1) In order to improve the timeliness of adjustments made pursuant to section 3203(a) of title 38, United States Code, in the amount of pension being paid to a veteran who is being furnished nursing home care by the Veterans' Administration, the Chief Medical Director of the Veterans' Administration shall develop improved procedures for notifying the Chief Benefits Director of the Veterans' Administration when a veteran is admitted to a nursing home.

(2) The Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the development and implementation of such procedures. The report shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 109. CHIROPRACTIC SERVICES PILOT PROGRAM.

(a) ESTABLISHMENT OF PILOT PROGRAM.—(1) The Administrator of Veterans' Affairs shall conduct a pilot program to evaluate the therapeutic benefits and the cost-effectiveness of furnishing certain chiropractic services to veterans eligible for medical services under chapter 17 of title 38, United States Code. Such a veteran is eligible to receive chiropractic services under the pilot program if the veteran was furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine within the 12-month period immediately preceding the commencement of the furnishing of such chiropractic services.

(2) The pilot program shall consist of not less than one demonstration project in each of five geographic regions of the United

States designated by the Administrator for the purpose of this section.

(3) The pilot program shall be carried out during the period beginning on January 1, 1986, and ending on December 31, 1988.

(b) CONSULTATION AND COORDINATION.—In developing the pilot program, the Administrator shall consult with the Secretary of Defense regarding the demonstration projects carried out by the Secretary under section 632(b) of the Department of Defense Authorization Act, 1985 (10 U.S.C. 1092 note). In designing, conducting, and evaluating the pilot program, the Administrator shall obtain advice and recommendations from recognized medical or scientific authorities in the treatment of neuromusculoskeletal conditions of the spine. The Administrator shall ensure that there is adequate participation by chiropractors in the design and evaluation of the demonstration projects, including participation by representatives from chiropractic colleges recognized by an approved accrediting organization.

(c) PAYMENT FOR CHIROPRACTIC SERVICES UNDER THE PILOT PROGRAM.—(1)(A) The Administrator shall pay the reasonable charge for chiropractic services furnished to eligible veterans under the pilot program.

(B) The Administrator may not pay for such services to the extent that the veteran is entitled to such services (or reimbursement for the expenses of such services) under—

(i) an insurance policy or contract;

(ii) a medical or hospital service agreement or membership or subscription contract; or

(iii) a similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

(2) The Administrator—

(A) shall reimburse the veteran for such reasonable charges if the veteran has paid for such services; or

(B) in lieu of reimbursing a veteran for a charge for chiropractic services under subparagraph (A), may pay the reasonable charge for such chiropractic services directly to the chiropractor who furnished the services.

(3) The amount paid for chiropractic services under this subsection may not exceed the amount for such services prescribed under the schedule of reasonable charges established under subsection (d).

(4) Chiropractic services may be provided in private facilities or chiropractic colleges approved in guidelines issued by the Administrator.

(5) Reimbursement of veterans and payments to chiropractors under this subsection shall be carried out under regulations which the Administrator shall prescribe.

(d) SCHEDULE OF REASONABLE CHARGES.—The Administrator shall establish a schedule of reasonable charges for chiropractic services furnished under the pilot program. Such schedule shall—

(1) be consistent with the reasonable charges allowed under section 1842 of the Social Security Act (42 U.S.C. 1395u); and

(2) be established in consultation with—

(A) appropriate public and nonprofit private organizations; and

(B) other Federal departments and agencies that provide reimbursement for chiropractic services.

(e) PROGRAM CAP.—The amount spent in any calendar year for chiropractic services under the pilot program may not exceed $2,000,000.

(f) REPORT.—Not later than April 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the implementation, operation, and results of the pilot program. The report shall include—

(1) the number of requests made by eligible veterans for reimbursement or payment for chiropractic services under this section and the number of such veterans who made such requests;

(2) the number of such reimbursements and payments made and the number of veterans to (or for whom) such reimbursements and payments were made; and

(3) the total amount spent for such reimbursements and payments.

(g) DEFINITIONS.—For the purposes of this section:

(1) The term "chiropractic services" means the manual manipulation of the spine performed by a chiropractor to correct a subluxation of the spine. Such term does not include physical examinations, laboratory tests, radiologic services, and any other tests or services determined by the Administrator to be excluded.

(2) The term "chiropractor" means an individual who is licensed as such by the State in which the individual performs chiropractic services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5)).

## TITLE II—HEALTH-CARE ADMINISTRATION

SEC. 201. MEDICAL QUALITY-ASSURANCE RECORDS.

Section 3305 is amended—

(1) by inserting "(other than reports submitted pursuant to section 4152(b) of this title)" in subsection (a) after "program"; and

(2) by adding at the end of subsection (b) the following new paragraph:

"(6) Nothing in this section shall be construed as authorizing or requiring withholding from any person or entity the disclosure of statistical information regarding Veterans' Administration health-care programs (including such information as aggregate morbidity and mortality rates associated with specific activities at individual Veterans' Administration health-care facilities) that does not implicitly or explicitly identify individual Veterans' Administration patients or employees or individuals who participated in the conduct of a medical quality-assurance review.".

SEC. 202. AUTHORITY TO EXPAND GERIATRIC RESEARCH, EDUCATION, AND CLINICAL CENTERS PROGRAM.

Section 4101(f)(1)(A) is amended by striking out "fifteen" and inserting in lieu thereof "25".

SEC. 203. REVISION OF AUTHORITY FOR APPOINTMENT OF STUDENT NURSES AND GRADUATE NURSES.

Section 4114(a)(3) is amended—

(1) by striking out "one year" in the second sentence of subparagraph (A) and inserting in lieu thereof "two years"; and

(2) by adding at the end the following new subparagraph:

"(C) A student nurse who has a temporary appointment under this paragraph and who is pursuing a full course of nursing in a recognized school of nursing approved by the Administrator may be reappointed for one year. Other personnel whose appointments are limited by this section to one year may not be reappointed under this subsection.".

SEC. 204. QUALITY ASSURANCE AND CREDENTIALING.

(a) IMPROVEMENTS IN PROGRAMS TO EVALUATE AND ASSURE HEALTH-CARE QUALITY.—(1) Chapter 73 is amended by adding at the end the following new subchapter:

"Subchapter V—Quality Assurance

"§ 4151. Quality assurance program

"(a) The Administrator shall—

"(1) establish and conduct a comprehensive program to monitor and evaluate the quality of health care furnished by the Department of Medicine and Surgery (hereinafter in this section referred to as the 'quality-assurance program'); and

"(2) delineate the responsibilities of the Chief Medical Director with respect to the quality-assurance program, including the duties prescribed in this section.

"(b)(1) As part of the quality-assurance program, the Chief Medical Director shall periodically evaluate—

"(A) whether there are significant deviations in mortality and morbidity rates for surgical procedures performed by the Department of Medicine and Surgery from prevailing national mortality and morbidity standards for similar procedures; and

"(B) if there are such deviations, whether they indicate deficiencies in the quality of health care provided by the Department of Medicine and Surgery.

"(2) The evaluation under paragraph (1)(A) of this subsection shall be made using the information compiled under subsection (c)(1) of this section. The evaluation under paragraph (1)(B) of this subsection shall be made taking into account the factors described in subsection (c)(2)(B) of this subsection.

"(3) If, based upon an evaluation under paragraph (1)(A) of this subsection, the Chief Medical Director determines that there is a deviation referred to in that paragraph, the Chief Medical Director shall explain the deviation in the next report submitted under section 4152 of this title.

"(c)(1) The Chief Medical Director shall—

"(A) determine the prevailing national mortality and morbidity standards for each type of surgical procedure performed by the Department of Medicine and Surgery; and

"(B) collect data and other information on mortality and morbidity rates in the Department of Medicine and Surgery for each type of surgical procedure performed by the Department and (with respect to each such procedure) compile the data and other information so collected—

"(i) for each medical facility of the Veterans' Administration, in the case of cardiac surgery, heart transplant, and renal transplant programs; and

"(ii) in the aggregate, for each other type of surgical procedure.

"(2) The Chief Medical Director shall—

"(A) compare the mortality and morbidity rates compiled under paragraph (1)(B) of this subsection with the national mortality and morbidity standards determined under paragraph (1)(A) of this subsection; and

"(B) analyze any deviation between such rates and such standards in terms of—

"(i) the characteristics of the respective patient populations;

"(ii) the level of risk for the procedure involved, based on—

"(I) patient age;

"(II) the type and severity of the disease;

"(III) the effect of any complicating diseases; and

"(IV) the degree of difficulty of the procedure; and

"(iii) any other factor that the Chief Medical Director considers appropriate.

"(d) Based on the information compiled and the comparisons, analyses, evaluations,

and explanations made under subsections (b) and (c) of this section, the Chief Medical Director, in each report under section 4152 of this title, shall make such recommendations with respect to quality assurance as the Chief Medical Director considers appropriate.

"(e)(1) The Administrator shall allocate sufficient resources (including sufficient personnel with the necessary skills and qualifications) to enable the Department of Medicine and Surgery to carry out its responsibilities under this section.

"(2) The Inspector General of the Veterans' Administration shall allocate sufficient resources (including sufficient personnel with the necessary skills and qualifications) to enable the Inspector General to monitor the quality-assurance program.

"§ 4152. Quality-assurance reports

"(a)(1) Not later than February 1 of 1987, 1989, and 1991, the Chief Medical Director shall submit to the Administrator a report on the experience through the end of the preceding fiscal year under the quality-assurance program carried out under section 4151 of this title.

"(2) Each such report shall include—

"(A) the data and other information compiled and the comparisons, analyses, and evaluations made under subsections (b) and (c) of such section with respect to the period covered by the report; and

"(B) recommendations under subsection (d) of such section.

"(b) Not later than 60 days after receiving each such report, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comment concerning the report that the Administrator considers appropriate.

"(c) A report submitted under subsection (b) of this section shall not be considered to be a record or document as described in section 3305(a) of this title.".

(2) The table of sections at the beginning of chapter 73 is amended by adding at the end the following:

"SUBCHAPTER V—QUALITY ASSURANCE

"4151. Quality assurance program.
"4152. Quality-assurance reports.".

(b) REPORT ON CREDENTIALS OF HEALTH-CARE PROFESSIONALS.—(1) The Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report describing in detail the current efforts and procedures and future plans of the Veterans' Administration for determining and monitoring the credentials of health-care professionals in connection with their furnishing care to veterans under chapter 17 of title 38, United States Code.

(2)(A) The report shall include a description of each current and planned Veterans' Administration policy or procedure regarding, or arrangement for, credentialing information exchanges.

(B) With reference to any such policy, procedure, or arrangement that is planned and has not been implemented at the time the report required by paragraph (1) is submitted, the Administrator shall—

(i) include in the report a timetable for such implementation; and

(ii) report to the committees on progress toward such implementation every three months thereafter until implementation of each such policy, procedure, and arrangement is achieved.

Upon implementation of each such policy, procedure, and arrangement, a final report on such implementation shall be submitted to the Committees.

(3) For the purposes of this subsection, the term "credentialing information exchanges" includes the exchange of relevant information with a license issuing or monitoring entity—

(A) in order to determine, with respect to an individual who is seeking employment with, or who is employed by, the Veterans' Administration as a health-care professional for the furnishing of care to veterans under chapter 17 of title 38, United States Code—

(i) whether the individual has completed medical or other health-care professional education satisfactorily;

(ii) the current and past licensure and clinical privilege status of the individual; or

(iii) the full employment history of the individual; or

(B) in order to provide appropriate information to such an entity about an individual whose employment with the Veterans' Administration as a health-care professional is terminated—

(i) following the completion of a disciplinary action relating to such individual's clinical competence;

(ii) voluntarily after having had such individual's clinical privileges restricted or revoked; or

(iii) voluntarily after serious concerns about such individual's clinical competence have been raised but not resolved.

(4) For the purposes of this subsection, the term "license issuing or monitoring entity" means—

(A) an appropriate State medical or other health-professional licensing body;

(B) the Federation of State Medical Boards;

(C) the American Medical Association; and

(D) any other public or private entity that the Administrator considers appropriate that is involved with the issuance or monitoring of health-care professional licenses.

(5) The report required by this subsection shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 205. AVAILABILITY OF STATE FINANCIAL SUPPORT FOR APPROVED STATE HOME PROJECTS.

(a) DEADLINE FOR AVAILABILITY OF STATE CONSTRUCTION FUNDS.—Subsection (a)(6) of section 5035 is amended by inserting "by July 1 of the fiscal year for which the application is approved" before "and for its maintenance".

(b) DEFERRAL OF CERTAIN APPLICATIONS.—Subsection (b) of such section is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating clauses (1) through (4) as clauses (A) through (D), respectively; and

(3) by adding at the end the following new paragraph:

"(2)(A) The Administrator shall defer approval of an application that meets the requirements of this section if the State submitting the application does not, by the July 1 deadline (as defined in subparagraph (C) of this paragraph), demonstrate to the satisfaction of the Administrator that the State has provided adequate financial support for construction of the project.

"(B) In a case in which approval of an application is deferred under subparagraph (A) of this paragraph—

"(i) the Administrator, in accordance with guidelines established by the Administrator, shall select for award of a grant or grants under this section an application or applications for a nursing home project or projects that the Administrator determines—

"(I) to be most in need;

"(II) would, but for the deferral, not have been approved during the fiscal year in which the deferral occurred; and

"(III) have been provided adequate financial support by the State and are otherwise qualified for approval during the fiscal year; and

"(ii) during the next fiscal year, the application with respect to which approval was deferred shall be accorded priority for approval ahead of applications that had not been approved before the first day of such fiscal year.

"(C) For the purposes of this paragraph, the term 'July 1 deadline' means July 1 of the fiscal year in which the State is notified by the Administrator of the availability of funding for a grant for such project.".

SEC. 206. PROCEDURES FOR REDUCTION OR REVOCATION OF CLINICAL PRIVILEGES.

(a) GUIDELINES.—Not later than April 1, 1986, the Administrator of Veterans' Affairs shall prescribe uniform guidelines establishing administrative procedures to be followed in any case in which a reduction or revocation of the clinical privileges of any person employed in a position described in paragraph (1) of section 4104 of title 38, United States Code, is proposed on the basis of a deficiency in the employee's performance of professional responsibilities.

(b) REPORT.—Not later than May 1, 1986, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representativs a report (containing a copy of such guidelines) on the implementation of this section.

## TITLE III—VETERANS' ADMINISTRATION MEDICAL FACILITIES

SEC. 301. CLARIFICATION OF REQUIREMENT OF CONGRESSIONAL APPROVAL OF CONSTRUCTION AND ACQUISITION PROJECTS.

Subsection (a) of section 5004 is amended to read as follows:

"(a)(1) The purpose of this subsection is to enable Congress to ensure the equitable distribution of medical facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility.

"(2) After the adoption by the committees during a fiscal year of resolutions with identical texts approving major medical facility projects, it shall not be in order in the House of Representatives or in the Senate to consider a bill, resolution, or amendment making an appropriation for that fiscal year or for the next fiscal year which may be expended for a major medical facility project—

"(A) if the project for which the appropriation is proposed to be made is not approved in those resolutions; or

"(B) in the event that the project is approved in the resolutions, if either—

"(i) the bill, resolution, or amendment making the appropriation does not specify—

"(I) the medical facility project for which the appropriation is proposed to be made; and

"(II) the amount proposed to be appropriated for the project; or

"(ii) the amount proposed to be appropriated for the project (when added to any amount previously appropriated for the project) exceeds the amount approved for the project.

"(3) No appropriation may be made for the lease of any space for use as a medical facility at an average annual rental of more than $500,000 unless each committee has

first adopted a resolution approving such lease and setting forth the estimated cost thereof.

"(4) For the purpose of this subsection, the term 'major medical facility project' means a project for the construction, alteration, or acquisition of a medical facility involving a total expenditure of more than $2,000,000. Such term does not include an acquisition by exchange.".

SEC. 302. OPERATIONAL AND CONSTRUCTION PLANNING REQUIREMENT.

(a) REQUIREMENT FOR IMPROVED PLANNING.—Subsection (a) of section 5007 is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out "and alteration" the second place it appears in the first sentence and inserting in lieu thereof "alteration, and operation";

(3) by striking out the second and third sentences; and

(4) by adding at the end the following new paragraphs:

"(2) Each such report shall contain—

"(A) a five-year strategic plan for the operation and construction of medical facilities—

"(i) setting forth—

"(I) the mission of each existing or proposed medical facility;

"(II) any planned change in such mission; and

"(III) the operational steps needed to achieve the facility's mission and the dates by which such steps are planned to be completed; and

"(ii) a five-year plan, based on the factors set out in subclause (i) of this clause, for construction, replacement, or alteration projects for each such facility;

"(B) a list, in order of priority, of not less than 10 hospitals that, in the judgment of the Administrator, are most in need of construction or replacement; and

"(C) general plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each medical facility for which construction, replacement, or alteration is planned under clause (A)(ii) of this paragraph.

"(3) The report under this subsection shall be submitted not later than June 30 of each year.".

(b) TECHNICAL AMENDMENTS.—Subsection (b) of such section is amended—

(1) by striking out "(beginning in 1981)";

(2) by inserting "(1)" after "medical facility"; and

(3) by striking out "title and, in the case of the second and each succeeding report made under this subsection," and inserting in lieu thereof "title, and (2)".

(c) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§ 5007. Operational and construction plans for medical facilities".

(2) The item relating to such section in the table of sections at the beginning of chapter 81 is amended to read as follows:

"5007. Operational and construction plans for medical facilities.".

SEC. 303. MAJOR FACILITY PROSPECTUS REQUIREMENT.

Section 5004(b)(1) is amended by inserting "and, in the case of a prospectus proposing the construction of a new or replacement medical facility, a description of the consideration that was given to acquiring an existing facility by lease or purchase" after "such facility".

SEC. 304. DEVELOPMENT OF MEDICAL-FACILITY MODULAR COMPONENTS.

In order to evaluate the applicability to the Veterans' Administration of the use of modular components in the design and construction of medical facilities for the furnishing of hospital care and to determine the efficiency and cost-effectiveness of that approach, the Administrator of Veterans' Affairs shall, not later than one year after the date of the enactment of this Act, develop a modular approach to the planning and design of an appropriate Veterans' Administration medical facility for the furnishing of hospital care.

## TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE.

(a) SERVICEMEN'S GROUP LIFE INSURANCE.—(1) Subsection (a) of section 767 is amended—

(A) by striking out "$35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, such member may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b) VETERAN'S GROUP LIFE INSURANCE.—(1) Subsection (a) of section 777 of such title is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the sentence immediately following the matter inserted by clause (A) and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purpose of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' shall have the meanings prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1986.

SEC. 402. EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 230(b) is amended by striking out "October 31, 1985" and inserting in lieu thereof "September 30, 1988".

SEC. 403. VETERANS' ADMINISTRATION GRADE REDUCTION.

(a) Section 210(b) is amended by adding at the end the following new paragraphs:

"(3)(A) The Administrator may not implement a grade reduction described in subparagraph (B) of this paragraph unless the Administrator first submits to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing a detailed plan for such reduction and a detailed justification for the plan. Such report shall include a determination by the Administrator (together with data supporting such determination) that, in the personnel area concerned, the Veterans' Administration has a disproportionate number of employees at the salary grade or grades selected for reduction in comparison to the number of such employees at the salary levels involved who perform comparable functions in other departments and agencies of the Federal Government and in non-Federal entities. Any grade reduction described in such report may not take effect until the end of a period of 90 calendar days (not including any day on which either House of Congress is not in session) after the report is received by the committees.

"(B) A grade reduction referred to in subparagraph (A) of this paragraph is a systematic reduction, for the purpose of reducing the average salary cost for Veterans' Administration employees described in subparagraph (C) of this paragraph, in the number of such Veterans' Administration employees at a specific grade level.

"(C) The employees referred to in subparagraph (B) of this paragraph are—

"(i) health-care personnel who are determined by the Administrator to be providing either direct patient-care services or services incident to direct patient-care services;

"(ii) individuals who meet the definition of professional employee as set forth in section 7103(a)(15) of title 5; and

"(iii) individuals who are employed as computer specialists.

"(D) Not later than the forty-fifth day after the Administrator submits a report under subparagraph (A) of this paragraph, the Comptroller General shall submit to such Committees a report on the Administrator's compliance with such subparagraph. The Comptroller General shall include in the report the Comptroller General's opinion as to the accuracy of the Administrator's determination (and of the data supporting such determination) made under such subparagraph.

"(E) In the case of Veterans' Administration employees not described in subparagraph (C) of paragraph (3), the Administra-

*tor may not in any fiscal year implement a systematic reduction for the purpose of reducing the average salary cost for such Veterans' Administration employees that will result in a reduction in the number of such Veterans' Administration employees at any specific grade level at a rate greater than the rate of the reductions systematically being made in the numbers of employees at such grade level in all other agencies and departments of the Federal Government combined.".*

*SEC. 404. LAND TRANSFER, PHOENIX, ARIZONA.*

*(a) REQUIREMENT FOR TRANSFER.—The real property described in subsection (b) and the structures on such property on the date of the enactment of this Act shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.*

*(b) DESCRIPTION OF LAND.—The real property referred to in subsection (a) is a tract of land consisting of 3.4 acres, more or less, in Phoenix, Arizona, that—*

*(1) was formerly part of the Veterans' Administration Medical Center, Phoenix, Arizona; and*

*(2) was declared to be excess to the needs of the Veterans' Administration in a report to the General Services Administration dated September 25, 1959.*

*SEC. 405. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN.*

*(a) RELEASE OF REVERSIONARY INTEREST.—The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit Milwaukee County, Wisconsin, to lease all or part of such land to a nonprofit corporation which—*

*(1) shall construct and equip on such land structures, facilities, and other permanent improvements useful for public recreational purposes or general civic purposes; and*

*(2) shall use such land for such recreational or civic purposes.*

*(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is—*

*(1) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act to authorize the Administrator of Veterans' Affairs to convey lands and to lease certain other land to Milwaukee County, Wisconsin", approved September 1, 1949 (63 Stat. 683); and*

*(2) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 866).*

*(c) GENERAL LIMITATIONS.—The Administrator may carry out this section subject to such terms and conditions (including reservations of rights for the United States) as the Administrator determines to be necessary to protect the interests of the United States.*

*SEC. 406. AUTHORITY TO RELEASE LIMITATION ON USE OF REAL PROPERTY, MCKINNEY, TEXAS.*

*(a) RELEASE OF LIMITATION.—The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to release the limitation to recreational purposes only on the use of the land described in subsection (b).*

*(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is two parcels of land, consisting of a total of 38.741 acres, that were conveyed by the Administrator to the city of McKinney, Texas, by deed of May 5, 1965, under the authority of Public Law 88-438 (78 Stat. 444, approved August 14, 1964).*

*SEC. 407. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH.*

*(a) MODIFICATION OF RESTRICTION.—(1) The Administrator of Veterans' Affairs shall execute such instruments as may be necessary in order to authorize the land conveyed under the authority of the Act referred to in paragraph (3) to be used—*

*(A) without regard to any limitation required by section 2 of that Act, but*

*(B) subject to the limitations set forth in paragraph (2).*

*(2) Any instrument executed under paragraph (1) shall provide, with respect to the tract of land conveyed under the Act referred to in paragraph (3)—*

*(A) that such tract may be used only for hospital, educational, civic, residential, or related purposes;*

*(B) that, if any part of such tract is used in any manner that is determined by the Administrator to interfere with the care and treatment of any patient at a Veterans' Administration health-care facility located in the reservation described in such Act, such use shall cease immediately upon notice by the Administrator of such interference to the person holding legal title to such part at the time such use occurs;*

*(C) that, if any part of such tract is used for a purpose other than a purpose prescribed in clause (A), title to such part shall revert to the United States; and*

*(D) that, if any interference referred to in clause (B) does not cease as required under such paragraph, title to the part of such land that is being used in a manner to cause such interference shall revert to the United States.*

*Any such instrument may contain such additional terms and conditions (including reservations of rights to the United States) as the Administrator determines to be necessary to protect the interests of the United States.*

*(3) The Act referred to in paragraphs (1) and (2) is the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah", approved July 29, 1954 (68 Stat. 579).*

*(b) CONVEYANCE OF FENCE.—The Administrator shall convey, without consideration, to the Armory Board of the State of Utah all right, title, and interest of the United States in the fence erected as required by the quitclaim deed issued to the Armory Board by the Administrator on October 14, 1954, under the authority of the Act referred to in subsection (a)(3). The conveyance shall contain such terms and conditions as the Administrator determines to be necessary to protect the interests of the United States.*

Mr. MONTGOMERY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments and the proposed House amendment to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I yield to our distinguished chairman to explain his request.

□ 1025

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding, and I take this opportunity to commend the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the Committee on Veterans' Affairs, for his cooperation and work with the chairman of the committee. I appreciate the gentleman's yielding to me so I may have this time.

The chairman of this subcommittee, the gentleman from Pennsylvania [Mr. EDGAR], has done a great deal of work pertaining to this bill, and I will briefly explain for the gentleman from Arkansas what this legislation does.

Mr. Speaker, on May 21, the House passed H.R. 505, making various changes in the Veterans Administration's health care programs. On July 30, the Senate passed the bill with several amendments. The proposed House amendment reflects a good faith effort on the part of our committee and the House to resolve our differences with the other body.

The proposed House amendment would extend or make permanent existing authorities for VA to provide services in the following areas:

Provide permanent authority for VA to continue existing alcohol and drug treatment rehabilitation programs;

Extending authority to provide health-care to certain non-service-connected veterans residing in Puerto Rico, the Virgin Islands, and other U.S. territories and possessions;

Extend until 1989 authority for VA to provide health care to veterans exposed to dioxin or other herbicides while serving in Vietnam, and for certain veterans exposed to radiation;

Authorize a 3-year pilot program requiring VA to establish 10 Vietnam veterans resources centers;

Provide counseling for former prisoners of war; and

Authorize a 3-year pilot program to provide chiropractic services to certain service-connected veterans.

Finally, the proposed House amendment would substantially strengthen VA's Quality Assurance Program.

Again, I want to thank the vary able ranking minority member of the committee [Mr. HAMMERSCHMIDT] and the distinguished chairman of the Subcommittee on Hospitals and Health Care [Mr. EDGAR] for their efforts in attempting to reach agreement with the other body. As the gentleman knows, all of the provisions are designed to enhance the quality of health care to our Nation's veterans, in the most cost-effective way, I urge my colleagues to adopt the proposed amendment.

Mr. Speaker, there follows a detailed explanation of the bill:

EXPLANATORY STATEMENT OF HOUSE BILL (H.R. 505), SENATE AMENDMENT (S. 876), AND THE PROPOSED HOUSE AMENDMENT ON THE VETERANS' ADMINISTRATION HEALTH-CARE AMENDMENTS OF 1985

This document, except as otherwise noted, explains the provisions of H.R. 505 as passed by the House of Representatives on May 21, 1985, the provisions of the bill as passed by the Senate on July 30 with an amendment incorporating the provisions of S. 876 as reported and a further floor amendment, and the provisions of the proposed house amendment. The differences between the House bill, the Senate amendment, and the proposed House amendment are noted below, except for clerical corrections, conforming changes made necessary by the proposed House amendment, and minor drafting, technical, and clarifying changes.

ALCOHOL AND DRUG TREATMENT AND REHABILITATION

Both the House bill (section 203) and the Senate amendment (section 203) would amend present section 620A of title 38, U.S. Code, relating to treatment and rehabilitation for alcohol or drug dependence or abuse disabilities, to delete references to "pilot" in the description of the VA's program for the provision of alcohol and drug treatment and rehabilitation through contracts with non-VA halfway houses and other community-based programs and to extend by 3 years, through September 30, 1988, the authority for this program. The House bill would require a report to the Committees not later than December 31, 1987, on the operation of the program; the Senate amendment would require a report not later than February 1, 1988, on the experience under the program during the four fiscal years 1985 through 1988, and would require that the report provide certain detailed information on the success and cost of the program.

The House amendment (section 101) contains this provision with the reporting requirement based on the provision in the Senate amendment.

CONTRACT HEALTH-CARE AUTHORITY OUTSIDE THE 48 CONTIGUOUS STATES

The House bill (section 204), but not the Senate amendment, would amend section 601(4)(C)(v) of title 38, relating to the authority to provide hospital care and certain outpatient services in noncontiguous "States" (defined in section 101(2) of title 38 to include United States Territories and possessions and the Commonwealth of Puerto Rico), to extend for 3 years, from September 30, 1985, until September 30, 1988, the VA's authority in Puerto Rico and the Virgin Islands and other United States' Territories and possessions to provide on a contract basis hospital care for non-service-connected disabilities and outpatient services to obviate the need for hospital admission. With respect to Puerto Rico, the House bill would also have provided for a phase-out, over the 3-year extension period, of the Administrator's authority to waive the restrictions limiting the use of this contract authority to jurisdictions where the overall levels of hospital care and medical services provided at VA expense are consistent with the levels provided in the contiguous states.

The House amendment (section 102) would make the contract authority permanent with respect to the Virgin Islands, would delete the waiver authority with respect to the Virgin Islands, and instead of phasing out the waiver authority with respect to Puerto Rico, would phase out the contract authority over a 3-year period. Thus, in Puerto Rico in fiscal year 1986, the VA would be authorized to expend under this authority no more than 85 percent of the amount expended there under this authority in fiscal year 1985; in fiscal year 1987, the limitation would be 50 percent of the fiscal year 1985 expenditure level; and, in fiscal year 1988, 25 percent.

The Committee notes that it is its intention that this be the final extension of this extraordinary contract authority in Puerto Rico. The Committee also notes that it intends the contract authority for the Virgin Islands to be exercised only for Virgin Islands residents and that they expect the Department of Medicine and Surgery to monitor use of that authority to ensure that result.

EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION

The Senate amendment (section 201), but not the House bill, would amend section 610(e)(3) of title 38 relating to the period during which veterans exposed to dioxin or certain other toxic substances used in a herbicide or defoliant used in connection with military purposes in Vietnam during the Vietnam era or to ionizing radiation from the detonation of a nuclear device are eligible for certian VA health-care services for the treatment of any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure, to extend the period of eligibility by 2 years and 7 months—from the end of the 1-year period beginning on the date that the Administrator submits the first report on a mandated Agency Orange epidemiological study of Vietnam veterans (which, by statute, is due to be submitted by February 14, 1986, two year after the study protocol was approved)—until the end of fiscal year 1989.

The House amendment (section 103) contains this provision.

OUTPATIENT AND AMBULATORY SERVICES FOLLOWING NURSING HOME OR DOMICILIARY CARE

The House bill (section 103), but not the Senate amendment, would amend section 612(f)(f)(B) to title 38, relating to eligibility for outpatient and ambulatory care, to authorize followup medical services on an outpatient or ambulatory basis, for a period generally not to exceed 12 months following discharge, to a veteran who has received nursing home or domiciliary care (in addition to the current statutory authority to provide followup medical services to a veteran who has received hospital care) and who requires such services to complete treatment incident to such care.

The House amendment (section 104) includes this provision.

VIETNAM VETERANS RESOURCE CENTERS PILOT PROGRAM

The Senate amendment (section 101), but not the House bill, would amend section 612A of title 38, relating to readjustment counseling and related mental health services for Vietnam-era veterans, to add a new subsection (h) which would require the Administrator to conduct a pilot program, during the period January 1, 1986, through December 31, 1988, at 10 existing readjustment counseling centers (Vet Centers), which would be designated as Vietnam Veterans Resource Centers (VVRC), to provide at the centers certain additional services to eligible Vietnam-era veterans. Under the program, the Administrator would be required to provide (1) counseling and assistance relating to the application for all VA benefits and services, (2) specified employment counseling, training, placement, and related services, (3) intake and referral for veterans with alcohol or drug abuse-related disabilities and follow-up services for veterans who have been treated for such disabilities, and (4) coordination of services received by veterans participating in this program or other VA, Department of Labor (DOL), or other Federal programs. The Administrator would be required (1) to provide such additional staff and other resources necessary to enable the VVRC's to provide the aforementioned services; (2) to notify the Secretary of Labor as to the need for the assignment of personnel to the VVRC's to provide employment assistance; and (3) to coordinate the assignment and use of employees, on full- or part-time basis, in each VVRC and, in doing so, make maximum feasible use of the VA employees at the facility on the date it is designated as a VVRC. The Secretary of Labor would be responsible for the assignment to the VVRC's on full- or part-time bases, of personnel to provide employment services. In order to ensure appropriate coordination, direction, implementation, and assessment of the program, the Administrator would be required to establish and provide support for a VVRC Coordinating Committee composed of certain VA and DOL representatives, which would be required to report by June 30, 1986, and at least every 6 months thereafter, to certain VA and DOL officials on the program's status. The Administrator would be required to submit to the Committees, not later than April 1, 1987, an interim report on the first 15 months' experience of the pilot program and, not later than April 1, 1989, a final report on the full 36 months of operation of the pilot program.

The House amendment (section 105) includes this provision, with amendments.

Under the House amendment, the program would have a termination date of September 30, 1988, which coincides with the date by which, under current law, the Administrator is required to arrange for the transition of the readjustment counseling program to a program in which counseling services are provided primarily through VA health-care facilities. Under the House amendment, the Administrator would be required generally to assign personnel as are necessary for the VVRC's to accomplish their goals but would require that the function of coordinating services be carried out by the personnel assigned to the Vet Center when it is designated a VVRC. The House amendment would not require the Secretary of Labor to provide certain personnel to the VVRC's but, instead, clarifies that the Secretary would be required to assign such personnel to the VVRC's as the Secretary considers appropriate. The House amendment would require the interim and final reports on the program to include, among other things, an evaluation of the appropriateness of staff utilization and would delete the requirement that the report include any legislative recommendations by the Administrator relating to this program. The Administrator's final report would be due by January 1, 1989. The provision to establish the VVRC Coordinating Committee is not included in the amendment.

In connection with the deletion of the provision for establishing the VVRC Coordinating Committee, the Committee expects the Administrator to ensure that greater coordination between the VA's Department of Veteran Benefits and the Department of Medicine and Surgery is achieved through the implementation of the program.

TECHNICAL AMENDMENT RELATING TO CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING

The Senate amendment (section 501), but not the House bill, would make a technical, conforming amendment to section 612A(g)(1)(B) of title 38, relating to the Administrator's responsibility during the 12-month period ending September 30, 1988, for planning for the continuing availability of readjustment counseling, to delete a reference to a date by which veterans would have to request such counseling in order for the Administrator to be required to take them into account in the planning required by section 612A(g)(1). Thus, the planning requirement in section 612A(g)(1) would be conformed to the permanent counseling entitlement provided for in section 612A(a).

The House amendment (section 106) contains this provision.

COUNSELING FOR FORMER PRISONERS OF WAR

The Senate amendment (section 202), but not the House bill, would amend Subchapter II of chapter 17 of title 38, relating to VA hospital, nursing home, or domiciliary care and medical treatment, to add a new section 612B to authorize the establishment of a program to provide, upon request, counseling to any veteran who is a former prisoner of war (POW) to assist such veteran in overcoming the psychological effects of detention or internment as a POW.

The House amendment (section 107) contains this provision.

TRANSFERS FOR NURSING HOME CARE

The House bill (section 104), but not the Senate amendment, would amend section 620 of title 38, relating to transfers for nursing home care, to authorize the direct transfer to a non-VA nursing home of (1) a veteran who has received VA nursing home or domiciliary care (in addition to the current statutory authority for such a transfer for a veteran who has received hospital care) and who requires long-term nursing home care, or (2) a veteran who has received VA hospital care and who is currently receiving VA hospital-based home care services. The House bill would also make inapplicable to certain veterans receiving nursing home care for a service-connected disability the general 6-month limitation on the duration of contract nursing home care.

The House amendment (section 108) contains these provisions and a provision requiring the Chief Medical Director to develop improved procedures for notifying the Chief Benefits Director of the transfer to a non-VA nursing home of a veteran who is in receipt of VA pension. This provision is designed particularly to ensure such notification in the cases of VA pensioners who were receiving VA hospital-based-home-care services prior to their transfer to a nursing home under a VA contract.

CHIROPRACTIC SERVICES PILOT PROGRAM

Both the House bill (section 303) and the Senate amendment (section 104) would provide for the VA, upon consulting with the Department of Defense, to provide chiropractic services to veterans as part of demonstration projects. The House bill, in a freestanding provision, would require the VA to carry out demonstration projects in three geographically dispersed locations in order to evaluate the cost-effectiveness and medical effectiveness of providing chiropractic care, as compared to medical care, for veterans with neuromusculoskeletal conditions. The Administrator would obtain advice and recommendations from recognized scientific authorities in the treatment of neuromusculoskeletal conditions and ensure adequate partication by chiropractors, including chiropractic colleges, in the design and evaluation of demonstration projects. One report on the demonstration project, due not later than October 1, 1988, would be required to be submitted to the Committees.

The Senate amendment, in a new section 630A of title 38, would require the VA, during calendar years 1986 through 1988, to carry out a pilot program consisting of not less than one demonstration project in each of five geographic regions in order to furnish chiropractic services to certain categories of veterans and to evaluate the therapeutic benefits and cost-effectiveness of such services. The Senate amendment would limit the services under the pilot program to (1) the treatment of a veteran for a service-connected neuromusculoskeletal condition of the spine, (2) the treatment of a veteran who has been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within the 12-month period prior to receiving the chiropractic services, and (3) the treatment of a neuromusculoskeletal condition of the spine of a veteran with a service-connected disability rated at 50 percent or more disabling. Under the Senate amendment, the Administrator, in consultation with appropriate entities, would establish a schedule of reasonable charges for chiropractic care, which would be consistent with the schedule for such charges under the Medicare program. The amount of reimbursement that any one veteran could receive in any 12-month period would be limited to $600 and total expenditures for the pilot program in any fiscal year would be limited to $2 million. Expenditures for the pilot program would come from funds appropriated for beneficiary travel reimbursement.

Three reports on the program, due April 1, 1987, 1988, and 1989, would be required to be submitted to the Committees. Also, section 601 of title 38, relating to definitions for the purpose of chapter 17 of title 38 (the chapter relating to VA hospital, nursing home, domiciliary care and medical services), would be amended to add a paragraph defining "chiropractic services" as the manual manipulation of the spine by a licensed chiropractor who meets Medicare standards to correct a subluxation of the spine and as not including physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.

Under the House amendment (section 109), the VA, pursuant to a freestanding provision, would be required to carry out a pilot program consisting of not less than one demonstration project in each of five geographic regions. Under this pilot program, the VA (1) would provide chiropractic services only to veterans who have received VA hospital care or medical services within the prior 12 months for the treatment of a neuromusculoskeletal condition of the spine and, (2) in consultation with appropriate entities, would establish a schedule of reasonable charges for chiropractic care which would be consistent with the schedule for such charges under the Medicare program. The House amendment contains a $2-million limitation on total expenditures for the pilot program in any fiscal year and would require the VA, in designing, conducting, and evaluating the pilot program, to obtain advice and recommendations from recognized medical or scientific authorities in the treatment of neuromusculoskeletal conditions of the spine and ensure adequate participation by chiropractors, including representatives of chiropractic colleges. A report on the pilot program would be due April 1, 1989. The term "chiropractic services" would be defined, in the freestanding provision, in the same way as in the Senate amendment.

The Committee notes that there is not an explicit requirement in this legislation, as there is in the Medicare law, that the neuromusculoskeletal condition of the spine must be demonstrated by an x-ray because such a requirement is unnecessary in this provision since the only veterans eligible for chiropractic services under the pilot program would be those who had in the preceding 12 months received VA health care for such a condition and that treatment would invariably include a diagnostic x-ray.

MEDICAL QUALITY-ASSURANCE RECORDS

The Senate amendment (section 302), but not the House bill, would amend section 3305 of title 38, relating to limitations on the disclosure of certain VA medical quality-assurance records (1) to specify that nothing in section 3305 authorizes or requires the VA to withhold the disclosure of statistical information on VA health-care programs, including information on aggregate morbidity and mortality rates at individual VA health-care facilities, so long as that information does not identify, either implicitly or explicitly, individual VA patients or employees, or individuals who participated in medical quality-assurance activities, and (2) to add a cross-reference to new section 4152 of title 38 (which would be added by section 204 of the compromise agreement) specifying that reports submitted pursuant to that new section (bi-ennial reports on the VA's medical quality-assurance program which would include, among other things, data on mortality and morbidity rates for all VA surgical programs and procedures)—which might implicitly identify VA employees—would not be confidential under section 3305.

The House amendment (section 201) contains this provision.

AUTHORITY TO EXPAND GERIATRIC RESEARCH, EDUCATION, AND CLINICAL CENTERS PROGRAM

The House bill (section 105), but not the Senate amendment, would amend section 4101(f)(1)(A) of title 38, relating to the designation of VA health-care facility locations for centers of geriatric research, education, and clinical activities, to increase from 15 to 25 the maximum number of facilities that the Administrator may so designate.

The House amendment (section 202) contains this provision.

REVISION OF APPOINTMENT AUTHORITY FOR GRADUATE AND STUDENT NURSES

The House bill (section 202), but not the Senate amendment, would amend section 4114 of title 38, relating to personnel appointments in the VA other than to full-time permanent positions, to authorize the VA to give temporary full-time appointments as nurses for more than one year to individuals who have completed nursing school and who are pending registration in a

State as a graduate nurse, and to authorize the reappointment for one year of a student nurse who is pursuing a full course of nursing in a recognized school of nursing.

The House amendment (section 203) contains these provisions with an amendment limiting the appointment of graduate nurses to a period not to exceed two years.

QUALITY ASSURANCE AND CREDENTIALING

The Senate amendment (section 304), but not the House bill, would amend subchapter V of chapter 73 of title 38, relating to the organization of the VA's Department of Medicine and Surgery (DM&S), to add new subsections 4151 and 4152 to require the Administrator to (1) establish and conduct a comprehensive quality-assurance program to monitor and evaluate the quality of health care furnished by DM&S, (2) delineate the responsibilities of DM&S with respect to the conduct of the VA quality-assurance program, and (3) allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable DM&S to carry out such delineated quality-assurance responsibilities. The Inspector General (IG) of the VA would be required to allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the IG to monitor the quality-assurance program conducted by DM&S. The Administrator would be required to direct the Chief Medical Director (CMD) of the VA (1) in consultation with certain Department of Defense and other officials, to establish and maintain mortality and morbidity standards for all types of surgical procedures conducted by DM&S, (2) to collect data on mortality and morbidity rates for each surgical procedure conducted by DM&S and compile those data for each VA cardiac surgery, heart transplant, and renal transplant program and in the aggregate for all other VA surgical procedures, (3) compare the aforementioned data to the national mortality and morbidity standards, (4) analyze and evaluate the data and the relationship between the data and certain specified factors in order to determine significant deviations from the standards that indicate quality of care deficiencies, (5) explain the deviations, and (6) make recommendations based on these data, comparisons, analyses, evaluations, and explanations. The CMD would be required to submit to the Admininstrator, not later than January 1, 1987, 1988, and 1989, a report on the experience of the quality-assurance program. Within 60 days after receiving each report, the Administrator would be required to submit to the Committees a copy of the report, together with any comments regarding the report that the Administrator considers appropriate.

In addition, the Administrator would be required, not later than 90 days after the date of the enactment of this Act, to submit to the Committees a report describing in detail the VA's current and future plans for monitoring the credentials of certain VA health-care professionals. The report would be required to include certain specified information concerning the VA's policies, procedures, and formal arrangements regarding the exchange of relevant information with certain State medical and other health-professional licensing bodies and other entities (including the Drug Enforcement Administration) for the purposes of (1) determining the current and past licensure and clinical-privilege status of health-care professionals who are seeking VA employment or who are currently employed by the VA, and (2) providing information to appropriate non-VA entities about health-care professionals whose VA employment is terminated in certain specified circumstances. The report would also be required to include, with respect to any of the aforementioned policies, procedures, and formal arrangements not yet implemented at the time the report is submitted to the Congress, a timetable for their implementation.

The Administrator would be required to report to the Committees every 3 months until full implementation has occurred. At that time, a final report would be required to be submitted to the Committees.

The House amendment (section 204) includes this provision, with an amendment, deleting the requirement for the CMD, in establishing and maintaining morbidity and mortality standards, to consult with the Assistant Secretary for Defense for Health Affairs and the Surgeons General of the Armed Forces. Although the requirement of consultation with DOD officials is not included in the House amendment, it is the Committee's intent that the CMD consult with appropriate DOD officials and others in the process of establishing and maintaining such standards.

AVAILABILITY OF STATE FINANCIAL SUPPORT FOR APPROVED STATE HOME PROJECTS

The House bill (section 107), but not the Senate amendment, would amend subchapter III of chapter 81 of title 38, relating to the VA's program of matching-fund grants for State Veterans Home construction projects, (1) to authorize appropriations of $40 million for fiscal year 1986, $50 million for fiscal year 1987, and $60 million for fiscal year 1988, (2) to require the Administrator to submit to the Committees, at the time that the President's budget is submitted to the Congress, annual reports concerning the operation of the program during the preceding and current fiscal years, including a list of those States which have submitted pending preapplications and the Administrator's recommendations concerning the relative priority of the projects involved, (3) to revise the grant application and approval processes, and (4) to repeal the current restriction that no State could receive in any fiscal year more than one-third of the funds appropriated for the program. In lieu of current-law provisions that the VA interprets as requiring it to fund applications in the order in which formal "preapplications" for grants are received, the administrator would be required to determine, in accordance with specified criteria, the relative need for each project for which a preapplication has been submitted in comparison to the need for the other projects for which preapplications were submitted; would be required to determine the relative need for each project for which an application is submitted; would be given authority to approve—rather than being required to approve—projects that meet the basic criteria for funding; and would be given discretion to fund qualifying projects in amounts other than the amounts applied for and in accordance with a priority ranking determined by the Administrator.

In lieu of these provisions, the House amendment (section 205) would require the Administrator to defer approval of a project that has been provided a notice of approval for funding if, by July 1 following such notice of approval, the State financial support has not been provided. Any project that is passed over would be placed on the list—ahead of all projects not approved before the end of the fiscal year in which it was passed over—for funding in the next fiscal year but would be subject to being passed over again if the project is not ready for funding by July 1 of that fiscal year.

The Administrator would be required to apply the funds from projects passed over to any nursing home project on the list of projects whose preapplication has been approved. The Administrator would be allowed to select such project based on need pursuant to guidelines established by the Administrator.

With 72 or more projects now awaiting Federal funding (totaling more than $175 million) and only $22 million in appropriations available in fiscal year 1986, the Committee's view is that States must be ready to proceed when the VA is ready to make the grant so that it will not be necessary to carry over funds from one fiscal year to another.

PROCEDURES FOR REDUCTION OR REVOCATION OF CLINICAL PRIVILEGES

The Senate amendment (section 303), but not the House bill, would amend section 4110 of title 38—relating to disciplinary actions against physicians and certain other health-care personnel employed in the VA's Department of Medicine and Surgery under the authority of title 38—to provide that (1) the provisions of that section are applicable in any case in which the VA proposes to reduce or revoke the clinical privileges of any title 38 employee by reason of inaptitude, inefficiency, or misconduct; (2) any action to reduce or revoke clinical privileges could be taken only after the individual was provided with notice of the proposal to reduce or revoke his or her privileges and only on the basis of a deficiency in the individual's clinical practice; and (3) nothing in that section, either under current law or as proposed to be amended, limits the Administrator's authority to protect the health and safety of veterans by temporarily reassigning a title 38 employee for the purpose of either suspending the employee's exercise of clinical privileges or otherwise restricting his or her clinical activities pending the outcome of a proceeding under section 4110.

The House amendment (section 206) contains a requirement that the Administrator prescribe by April 1, 1986—and submit to the Committees by May 1, 1986, a copy of and a report on—uniform guidelines for the handling of cases involving the proposed reduction or revocation of the clinical privileges of VA health-professional employees. The Committee intends that the uniform guidelines include, at a minimum, provisions specifying that (1) any action to reduce or revoke clinical privileges based on an employee's performance of professional responsibilities could be taken only after the individual was provided with notice of the proposal to reduce or revoke his or her privileges and only on the basis of a deficiency in the performance of such professional responsibilities; (2) requiring that any proceeding to reduce or revoke clinical privileges proceed in a timely fashion; (3) entitling the health-professional employee involved (A) to have access to all evidence that will be considered as part of the proceeding, (B) to have the opportunity to participate fully in the proceeding and be represented by counsel throughout, and (C) if any hearings are held, to be present throughout the evidentiary proceedings, to confront witnesses, and to purchase a copy of a transcript or tape of the proceedings; and (D) to appeal to a VA employee who is senior in grade to the head of the employee's duty station and is not stationed at the

employee's duty station (including at any subsidiary unit thereof).

In a case involving a proposed revocation of clinical privileges, the Committee intends that the guidelines afford the employee the same procedural protections and appellate rights as are afforded in connection with a proceeding before a board under section 4110 of title 38, or afford the employee a combined revocation of privileges and removal proceedings before a board under section 4110 in order to avoid the need for two hearings, one for revocation of privileges and one for removal. The guidelines should address the proper use of confidential quality assurance documents under present section 3305 of title 38 inasmuch as that section severely restricts the disclosure of such documents. Once a quality-assurance document has triggered concerns and possibly an investigation concerning the exercise of clinical privileges, a case against the employee must proceed independently of quality-assurance documents, especially in view of the Committee's intended requirement that the evidence on which the VA may base a proposed action must be provided to the employee and the employee's representative, if any.

The Committee notes its intent that nothing in the proposed guidelines would limit the Administrator's authority to protect the health and safety of veterans by temporarily reassigning a title 38 employee for the purpose of either suspending the employee's exercise of clinical privileges or otherwise restricting his or her clinical activities pending the outcome of a proceeding involving a proposed reduction or revocation of clinical privileges.

If the guidelines do not substantially comport with the Committee's above-described intentions, the Committee is prepared to recommend legislation establishing these or similar procedures.

VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AND ACQUISITION

Both the House bill (section 201) and the Senate amendment (section 401(a)(1)(A)) would amend section 5004(a) of title 38, relating to the prohibition against the making of an appropriation for a major (over $2 million) VA medical facility construction or acquisition project unless both Committees have adopted a resolution approving the project and setting forth the estimated cost. The House bill, but not the Senate amendment, would require that any law appropriating funds for the construction, alteration, or acquisition of any major VA medical facility construction project specify the medical facility for which the appropriation is made and the amount appropriated for the project. The House bill also would prohibit the total amount appropriated for any major construction project from exceeding the estimated cost of the project as set forth in either Committees' construction resolutions required by present section 5004(a)(1).

The Senate amendment, but not the House bill, would revise the Committee approval process, provided for in present section 5004(a)(1) for the approval of major VA medical facility construction projects, to require the authorization, by a law based on legislation reported from the Committees specifying the amount that may be appropriated and expended, of appropriations for any such project.

The House amendment (section 301) contains the House provision with a technical amendment and would also revise the Committee approval process, provided for in present section 5004(a)(1) for the approval of major VA medical facility construction projects, to provide for the Committees to adopt construction resolutions with identical texts. Subsequent to the adoption of such a resolution, appropriations could not be made for major VA projects during the period beginning on the day that such resolutions are adopted and running through September 30 of the ensuing fiscal year except in strict compliance with the resolutions' text.

The Senate amendment (section 411) would also authorize the appropriation to the VA for fiscal year 1986 of $417.2 million for the major medical facility construction account and of $194.4 million for the minor medical facility construction account. The Senate amendment would authorize specified maximum amounts to be appropriated for the three large major construction projects which were requested in the President's budget for fiscal year 1986 (Houston, Mountain Home, and Philadelphia). The Senate amendment would limit further the maximum amounts to be appropriated for these projects to $170.4 million, $35.8 million, and $85.6 million, respectively, unless the Administrator certified to the Committees, not later than 60 days after enactment, that a contract for work cannot feasibly be awarded within 180 days after (1) the date on which a contract for the construction was scheduled to be awarded as of June 1, 1985, in the case of Houston and Mountain Home, or (2) September 1, 1986, in the case of the Philadelphia project. The Senate amendment would also authorize the expenditure during fiscal year 1986 of funds in the VA's major construction working reserve account for the redesign of three other large major construction projects (a replacement medical center in Augusta, Georgia; a replacement medical center in Baltimore, Maryland; and outpatient/clinical additions and alterations in New York, New York) if the total expenditures for the redesigned projects did not exceed $94 million, $88.8 million, and $70.6 million for the Augusta, Baltimore, and New York projects, respectively.

The House amendment does not contain this provision.

The Senate amendment (section 401(a)(1)(B)), but not the House bill, contains provisions relating to the VA's construction planning process. Any expenditure of funds beyond the development of project requirements (i.e., expenditures for preliminary plans and all subsequent stages) for the construction, remodeling, extension, or acquisition of a VA hospital facility that would cost more than $20 million would be prohibited unless the expenditure were authorized by a law based on legislation reported from the Committees.

The Senate amendment (section 401(a)(1)(B)), but not the House bill, would also prohibit the construction or acquisition of any new or replacement medical facility with more than 700 hospital beds and the remodeling or extending (involving more than $20 million in total expenditures) of a project that would, upon completion, exceed 700 hospital beds.

The Senate amendment (section 402), but not the House bill, would amend subchapter 1 of chapter 81 of title 38, relating to acquisition and operation of medical facilities, to add a new section 5004A which would require the Administrator and the Comptroller General of the United States to develop jointly a methodology (otherwise known as "bed-sizing methodology") for determining the appropriate types and numbers of hospital beds for each proposed new or replacement VA hospital. The Administrator and the Comptroller General would be required to consult with the Assistant Secretary of Defense for Health Affairs, veterans' service organizations, and representatives of the private hospital industry and to take into account (1) the projected needs of service-connected disabled veterans and veterans who meet the income criteria for VA pension under chapter 15 of title 38, and (2) recent or planned changes in treatment modalities for medical care that could affect the demand for inpatient beds. The Administrator and the Comptroller General would also be required, not later than October 1, 1986, to submit to the Committees a joint report on the new bed-sizing methodology and not later than October 1, 1987, to submit to the Committees a report on the implementation of the new methodology. The Comptroller General alone would be required to submit to the Committees any additional reports considered appropriate. After April 1, 1987, the expenditure of any funds for preliminary plans for any VA hospital would be prohibited unless the new methodology was used to determine the facility's types and number of beds.

In lieu of these provisions, the House amendment (section 302) would amend section 5007 of title 38, relating to a requirement that the Administrator annually submit to the Congress a five-year medical facility construction plan, to require the Administrator to submit, on an annual basis, a five-year strategic operation plan and to base the construction plan on the strategic operation plan.

The Committee intends that the newly-required plan include a comprehensive needs assessment of both medical program operation and medical facility construction needs and a detailed plan designed to address those needs. The plans should also include, but not be limited to, data on (1) the numbers of service-connected-disabled veterans and non-service-connected-disabled veterans whom the VA plans to serve, and (2) the scope (including bed size) for replacement, major modernization, and clinical aditon projects involving substantial expansion of capacity, on which actual construction is planned to be initiated during the first three of the five years covered by the construction plan. The Committee also intends that the plans take into account the impact on VA medical program and medical facility construction planning of such matters as VA's use of diagnosis related groups (DRG's) and the need for and use of noninstitutional forms of care when making resource allocation and construction planning (including the scope of the planned projects) decisions.

The Senate amendment (section 421), but not the House bill, would amend section 5002 of title 38, relating to the acquisition and construction of VA medical facilities, to require the Administrator, in connection with the assessment of health-care needs of veterans in particular areas and in order to plan how best to meet those needs, to develop criteria to determine whether to construct or acquire a new or replacement facility and to choose between the alternatives of constructing, leasing, or purchasing. The Administrator would also be prohibited, after January 1, 1986, from developing preliminary plans for a new or replacement medical facility unless the option of leasing or purchasing was considered. The Senate amendment would also amend section

5004(b) of title 38, relating to the process of Committee approval of certain medical facility acquisition and construction projects, to require the Administrator to submit, as part of a prospectus required to be submitted to the Committees in connection with a proposed medical facility, a description of the consideration given to leasing or purchasing an existing facility.

The Senate amendment (section 423), but not the House bill, would require the Administrator to submit to the Committees, in connection with the President's budget for fiscal year 1987, a feasibility plan for the purchase, for use as a VA hospital and nursing home, of a medical facility that meets the current and projected needs and specifications of the VA and is located in an urban area. The President, as warranted by the results of the feasibility plan, would be required to include in the VA's fiscal year 1987 budget a request for an appropriate amount for the purchase of such a facility which meets the VA's needs and specifications.

The House amendment (section 303) contains the provision requiring the Administrator, as part of a prospectus for a new or replacement medical facility, to submit to the Committees a description of the consideration given to leasing or purchasing an existing facility.

The Senate amendment (section 424) but not the House bill, would require the Administrator, not later than 180 days after enactment, to contract for the development of a modular approach to the planning and design of VA hospitals in order to evaluate the applicability, efficiency and cost-effectiveness of this approach to the design and construction of VA hospitals.

The House amendment (section 304) contains this provision with amendments deleting the requirements for contracting and requiring development within one year after the date of enactment.

The Senate amendment (section 422) but not the House bill, would require the Administrator, effective October 1, 1985, to contract for the construction and operation of a nursing home to furnish nursing home care to eligible veterans. The nursing home would be required to meet the VA's current and projected needs and specifications. The contract would be required to contain terms (1) establishing a minimum 5-year contract duration (2) requiring the contractor to provide the same types, levels, and quality of care that would be provided in a VA nursing home, (3) giving the Administrator the option to renew the contract for up to five years, (4) requiring the referral of eligible veterans to the nursing home so as to ensure a specific occupancy rate, (5) specifying the per diem rate payable to the contractor, and (6) providing that title to the facility would vest in the United States.

The House amendment does not contain this provision.

SERVICEMEN'S GROUP LIFE INSURANCE VETERANS' GROUP LIFE INSURANCE

The Senate amendment (section 507) and section 5 of H.R. 2343, as passed by the House of Representatives on May 20, 1985, would increase from $35,000 to $50,000 the maximum amount of coverage available under the Servicemen's Group Life Insurance/Veterans' Group Life Insurance programs and make such insurance available to members of the Individual Ready Reserve and the Inactive National Guard. The Senate amendment would provide for these increases and modifications to become effective on January 1, 1986; H.R. 2343 would provide for the effective date to be the first day of the fourth month beginning after the date of the enactment of the measure.

The House amendment (section 401) contains this provision with an effective date of January 1, 1986.

EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES

The Senate amendment (section 509) and section 7 of H.R. 2343, as passed by the House of Representatives on May 20, 1985, would extend for 3 years, until September 30, 1988, the authority for a VA office in the Republic of the Philippines.

The House amendment (section 402) contains this provision.

VETERANS' ADMINISTRATION GRADE REDUCTION

Both the House bill (section 304) and the Senate amendment (section 301) contain provisions that would prohibit the Administrator from implementing a systematic grade reduction, for the purpose of reducing the average salary costs for the VA employees involved, of certain categories of VA employees unless the Administrator has first submitted to the Committees a report on the proposed reduction. The report would be required to contain a detailed plan and justification for the proposed reduction, including the Administrator's determination, supported by appropriate data, that, in the personnel area proposed for the reduction, the VA has a disproportionate number of employees at the salary grade or grades involved in comparison to employees who perform comparable functions in other departments and agencies of the Federal Government and in non-federal entities. The report would have to be submitted not less than 90 days prior to the effective date of the proposed reduction (not counting any day on which either House of Congress is not in session). The Comptroller General would be required, not later than 45 days after the report is submitted to the Committees, to submit a report to the Committees on the Administrator's compliance with this section, including the accuracy of the Administrator's determination and supporting data.

The House bill would apply to all VA personnel; the Senate amendment would apply to VA health-care personnel who provide direct patient-care services or services incident to direct patient-care services and to professional employees who are employed by the VA as attorneys and engineers. As to those VA employees not covered by the above-described provision in the Senate amendment, the Senate amendment would prohibit the Administrator from implementing with respect to VA employees at any specific grade level a systematic grade reduction at a rate greater than the rate of reductions being applied at that grade level in all other Federal government entities combined.

Under the House amendment (section 403), the advance-reporting requirement would apply to VA health-care personnel who provide direct patient-care services or services incident to direct patient-care services, to all "professional employees" as that term is defined in section 7103(a)(15) of title 5, United States Code, and to employees in computer-related fields. These categories encompass approximately 13,750 total VA employees at present—approximately 10,500 direct and indirect health-care personnel, 2,337 "professional employees" (883 engineers, 551 attorneys, 278 psychologists working outside of the Department of Medicine and Surgery, 169 accountants, 124 auditors, 138 librarians working outside of the Department of Medicine and Surgery, 93 architects, 73 physicians employed under the General Schedule, 24 statisticians, and 4 actuaries) and 926 individuals employed as "computer specialists" (9 computer equipment analysts, 11 computer programmers, 84 computer systems programmers, 216 computer programmer analysts, 247 computer specialists, and 359 computer systems analysts).

The Committee notes that the House amendment does not concern itself with the VA proceeding with a downgrading effort carried out in accordance with standard personnel practices designed to correct a clear example of overgrading in a particular occupational category as demonstrated by an evaluation of job responsibilities. Specifically, the VA would not be prevented from reorganizing work, implementing new classification standards, complying with classification consistency review requirements directed by OPM, or generally reclassifying positions properly even if the actions would result in a lower grade structure for any group of employees. In the case of employees other than those in the specified categories, the VA could exercise these authorities even if the resultant downgrading affected a greater percentage of VA workers in the grade level involved than were being downgraded in other Federal agencies. This is because such a downgrading would not be, in the words of the House amendment, "for the purpose of reducing average salary costs"; rather, it would be for the purpose of properly categorizing and compensating functions carried out by certain occupations.

The Committee further notes that neither the proposed advance-reporting requirement nor the limitation against disproportionate VA reductions would be applicable at all to standard personnel management activities aimed at protecting against overgrading—such as individual desk audits to determine if a particular job is overgraded—so long as those activities are not carried out as part of a systematic effort to achieve grade reductions pursuant to some arbitrary formula.

LAND TRANSFER, PHOENIX, AZ

The House bill (section 302) and the Senate amendment (section 504) would require the transfer to the VA, without compensation, of a certain parcel of land in Phoenix, Arizona. The House bill would require the transfer of 3.4 acres of land, more or less; the Senate amendment, 3.25 acres of land, more or less, and the structure thereon.

The House amendment (section 404) would provide for the transfer to the VA, without compensation, of 3.4 acres or land, more or less, and the structures thereon.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WI

The Senate amendment (section 506), but not the House bill, would require the Administrator to modify the restrictions on the use of land previously conveyed to Milwaukee County, Wisconsin, so as to permit the County to lease the land to a nonprofit corporation that would be required (1) to construct on the land and equip permanent improvements useful for public recreational or general civic purposes, and (2) to use the land for such recreational or civic purposes.

The House amendment (section 405) contains this provision.

AUTHORITY TO RELEASE LIMITATION ON USE OF REAL PROPERTY, MC KINNEY, TX

The House bill (section 301), but not the Senate amendment, would authorize the Administrator to remove a limitation on land previously conveyed to the City of McKinney, Texas, which restricts the use of the land to recreational purposes. The VA no longer maintains a facility in McKinney.

The House amendment (section 406) contains this provision.

MODIFICATIONS OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH

The Senate amendment (section 505), but not the House bill, would require the Administrator (1) to modify the restrictions on the use of land previously conveyed to the Utah State Armory Board so as to permit the land to be used for hospital, educational, civic, residential, or related purposes, and (2) to convey to the Armory Board, without compensation, a fence located on the property.

The House amendment (section 407) contains this provision.

PILOT PROGRAM OF COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL TREATMENT FOR CHRONICALLY MENTALLY ILL VETERANS

The Senate amendment (section 102), but not the House bill, would amend Subchapter II of chapter 17 of title 38, relating to hospital, nursing home, and domiciliary care and medical treatment, to add a new section 620B to authorize the conduct of a pilot program, during the period January 1, 1986, through December 1, 1989, under which the VA would contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for certain eligible veterans suffering from chronic mental illness disabilities. A veteran would be eligible to participate in the program if, at the time of referral to a contract facility, the veteran were (1) receiving VA hospital, domiciliary, or nursing home care for a service-connected chronic mental illness disability, or (2) a veteran with a service-connected disability rated at 50 percent or more who is receiving VA care for a chronic mental illness disability. The program would be planned, designed, and conducted to demonstrate (1) the medical advantages and cost-effectiveness of providing care in contract facilities compared to providing care in VA facilities, and (2) the veterans' potential for living outside of medical facilities as a result of participating in the pilot program. The Administrator would be required to approve the quality and effectiveness of the program in a facility before referring veterans to it and to designate a VA employee to provide case-management services for each veteran. The Administrator would also be authorized to provide in-kind assistance to a participating contract facility provided that the VA was reimbursed for the assistance. The Administrator would be required to submit to the Committees an interim report on the first 36 months of the pilot program and, by April 1, 1990, a final report on the 48 months of operation of the pilot program.

The House amendment does not contain this provision.

In the cases of veterans requiring treatment for service-connected chronic mental illness disability, and veterans in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and U.S. Territories or women veterans requiring such treatment for non-service-connected chronic mental illness disability, the VA, in the opinion of the VA General Counsel, has authority under current law (section 610(a) and section 601(4)(C) of title 38) to furnish directly, as well as to contract for, the type of halfway-house residential care (considered to be an extension of "hospital care") envisioned in the Senate provision. Moreover, in the cases of these veterans as well as certain others, such as those with service-connected disabilities rated 50 percent or more disabling and those requiring post-VA-hospital followup care for chronic mental illness disability, the VA also has authority under current law (section 612(f)(1)(B) and (2) and section 601(4)(C)(ii)) to contract for the provision of the medical and related services component of this type of care for such veterans' chronic mental illness disabilities and to negotiate on behalf of veterans with respect to the provision, at the veterans' expense or financed by other non-VA services, of the residential (room and board) component. Noting the support for this provision by the VA, the National Association of VA Chiefs of Psychiatry, and the American Psychiatric Association, the Committee intends to examine the issues relating to the extent of the VA's use of the existing authority described above. The Committee is aware that such an arrangement would not be workable in the case of chronically mentally ill veterans whose illnesses incapacitate them from earning a living and who have no other available to them to pay for the residential components of such halfway-house care, but notes that many of the veterans eligible for contract medical services are recipients of substantial disability compensation payments.

VETERANS' READJUSTMENT APPOINTMENTS

Section 3 of H.R. 1408, as passed by the House of Representatives on May 20, 1985, but not the Senate amendment, would increase the maximum grade level at which appointments may be made under the veterans readjustment appointments (VRA) program, eliminate the 14-year education limitation on the VRA eligibility of Vietnam-era veterans who do not have service-connected disabilities, and provide that a service-connected disabled Vietnam-era veteran who has more than 14 years of education must be given preference for a VRA over other Vietnam-era veterans who have more than 14 years of education.

The House amendment does not contain this provision.

STATE HOME PER DIEM RATES

The House bill (section 104(3)), but not the Senate amendment, would amend section 620(e) of title 38, relating to the rate at which the VA reimburses community nursing homes for "intermediate care" (a level of care less intensive than nursing-home care but more intensive than domiciliary care), in order to specify that VA payments to State homes for intermediate care shall be at the same per diem rate that is paid for nursing home care.

The House amendment does not contain this provision.

PHYSICIANS' AND DENTISTS' SPECIAL PAY

The House bill (section 205), but not the Senate amendment, would amend section 4118 of title 38, relating to special pay for physicians and dentists (1) to clarify that the employee's entitlement to special pay runs from the date of employment or from the date the employee signs a special pay agreement, whichever is later, (2) to modify the amounts of special pay that are counted in determining the annuity of employees who retire during fiscal years 1986 through 1990 so as to increase by 10 percentage points per year, from 60 percent for those retiring in fiscal year 1986 to 90 percent for those retiring in fiscal year 1990, the percentages of special pay counted toward annuities (under current law, 50 percent of such pay is counted toward annuities for those who retire during 1986 through 1990 and 100 percent after 1990), and (3) to specify that an employee must receive a performance rating of at least "fully satisfactory" in order to be eligible to receive special pay.

The House amendment does not contain this provision.

STATUS OF VETERANS' ADMINISTRATION OUTPATIENT CLINIC IN TOLEDO, OH

The House bill (section 305), but not the Senate amendment, would mandate a change in the status of the VA outpatient clinic in Toledo, Ohio, from that of a satellite clinic (of the Ann Arbor, Michigan, VA Medical Center) to an independent clinic.

The House amendment does not contain this provision.

The Committee notes the substantial strides made in recent months by the Department of Medicine and Surgery, in conjunction with the University of Michigan through its affiliation with the Ann Arbor VAMC, to expand and upgrade medical services at the Toledo clinic, specifically, the establishment at the clinic of specialty clinics for Dermatology in April, for Ophthalmology and Orthopedics in June, and for Ear, Nose, and Throat in July. In order to continue this progress and provide greater ties to and continuity with medical care in the community, it is the Committee's view that the Toledo clinic should also establish a meaningful affiliation with the Medical College of Ohio and that DM&S Central Office should closely monitor the provision of services at the clinic. The Committee does not intend, however, that the affiliation between the Toledo clinic and the University of Michigan Medical School be diminished.

The Committee directs the Chief Medical Director to report to them by April 1, 1986, on the actions regarding such a new affiliation and to submit at that time an evaluation, based on DM&S's monitoring, of the range, quality, and responsiveness of the care provided by the clinic.

PILOT PROGRAM OF NONINSTITUTIONAL ALTERNATIVES TO INSTITUTIONAL CARE

The Senate amendment (section 103), but not the House bill, would require the Administrator to conduct a 4-year pilot program, through 10 demonstration projects, under which veterans eligible for and otherwise in need of VA hospital, nursing home, or domiciliary care, would instead receive care, including health-related services from non-VA entities, in noninstitutional settings. Priority for participation in the program would be accorded to veterans with service-connected disabilities, to veterans who are 65 or older, and to veterans who are totally and permanently disabled. The VA would be required to utilize geriatric evaluation units as part of 5 of the projects and to assign VA employees to provide case-management services for all veteran-participants.

The House amendment does not contain this provision.

The Committee notes that it intends to request that the VA explore the need of eligible veterans for noninstitutional health-related services and intends to consider next year the need for such services and for this pilot program.

REPORT ON FEDERAL GOVERNMENT RESPONSIBILITY TO INDIVIDUALS WHO SERVED WITH VOLUNTARY CIVILIAN ORGANIZATIONS IN VIETNAM

The Senate amendment (section 503), but not the House bill, would require the Administrator and the Secretaries of Defense and of Health and Human Services to submit to the appropriate Congressional committees, not later than 180 days after the date of enactment, a joint report on the question of U.S. Government responsibility for providing benefits and services (including, but not limited to, health care and monetary compensation for disabilities which may be related to experiences in Vietnam), either through the VA or otherwise, to individuals who served in Vietnam with voluntary organizations that provided significant assistance to the U.S. Armed Forces.

The House amendment does not contain this provision.

COVERAGE OF RESPITE CARE

The House bill (section 101), but not the Senate amendment, would amend section 610(a) of title 38, relating to eligibility for hospital and nursing home care, to authorize the provision of respite care, defined as care furnished by a VA facility on an intermittent or temporary basis to a veteran who is suffering from a chronic illness and who is receiving care at home or in a hospice program.

The House amendment does not contain this provision.

The Committee notes, however, that the Senate Committee, in the context of further consideration next year of the need for alternatives to institutional care, will consider the need to provide the Administrator with explicit authority to provide respite care.

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

The Senate amendment (section 502), but not the House bill, would require the Administrator to take appropriate action under existing authority to ensure that VA expertise in diagnosing and treating individuals who have experienced unusual trauma and stress and in training health-care personnel in such diagnosis and treatment is made available to other Federal agencies and other organizations which have provided or may provide assistance to (1) the passengers of hijacked TWA flight number 847 who were held in captivity as political hostages, or (2) other United States citizens returning from such captivity, in order to attempt to minimize the potential psychological effects of their captivity.

The House amendment does not include this provision.

The Committee urges the Administrator to provide such assistance as may be permitted under existing authority and to continue to provide similar assistance to Federal agencies and other organizations which provide readjustment services to U.S. citizens who are victims of floods, tornadoes, earthquakes, and other natural or manmade disasters.

EMERGENCY VETERANS' JOB TRAINING ACT

The Senate amendment (section 508) and section 2 of H.R. 1408 as passed by the House of Representatives on May 20, 1985, would amend the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note).

Both H.R. 1408 and the Senate amendment would extend the deadline for veterans already enrolled in the program to begin a program of training. The House would extend the deadline from September 1, 1985, to July 1, 1986; the Senate amendment, from September 1, 1985, to March 1, 1986.

The House amendment does not contain these provisions; however, Public Law 99-108 extended the deadline to July 1, 1986.

H.R. 1408, but not the Senate amendment, (1) would amend section 17 of the Act to extend, from February 28, 1985 to December 31, 1985, the deadline by which a veteran must apply to participate in the program; (2) would amend section 5 (a)(1)(B) of the Act, relating to the period of unemployment required to qualify for participation, to reduce the number of weeks of unemployment required in the 20 weeks prior to application from 15 to 5; and (3) would amend section 16 of the Act, relating to authorizations of appropriations for the programs under the Act, to authorize an appropriation of $75 million for fiscal year 1986.

The House amendment does not contain these provisions.

DOMICILIARY CARE

The House bill (section 102), but not the Senate amendment, would amend section 610(b) of title 38, relating to eligibility for domiciliary care, to establish a single basis for eligibility for care in a domiciliary facility by deleting the provision in current law which authorizes domiciliary care for a service-connected disabled veteran who is suffering from a permanent disability, tuberculosis, or a neuropsychiatric ailment, is unable to earn a living, and has no adequate means of support and leaving in place the existing authority to provide domiciliary care to any veteran who is in need of domiciliary care and is unable to defray the expenses of such care.

The House amendment does not include this provision.

The Committees on Veterans' Affairs of the House and Senate have included provisions in the Omnibus Budget Reconciliation Act of 1985 (H.R. 3500 and S. 1730) that would change current law relating to domiciliary care eligibility. The Committees have agreed to resolve their differences on this issue in the reconciliation conference.

ADMINISTRATIVE REORGANIZATION OF CERTAIN PROSTHETICS SERVICE FUNCTIONS

The House bill (section 304(a)), but not the Senate amendment, would authorize the VA to proceed, during fiscal year 1985, with an administrative reorganization, of which the Committees were given advance notice on February 1, 1985, pursuant to section 210(b)(2) of title 38, involving the transfer of two elements from the Prosthetics Center in New York—the Technology and Performance Evaluation Section and the Information and Education Service—to a Prosthetics Assessment and Information Center in Washington, D.C.

The House amendment does not contain this provision.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Alabama [Mr. SHELBY], a member of the committee.

Mr. SHELBY. Mr. Speaker, I appreciate the gentleman's yielding, and I would like to ask if the chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY], would enter into a colloquy with me regarding some things that were knocked out of the bill.

Mr. MONTGOMERY. I will be glad to answer the gentleman, if the gentleman will yield.

Mr. SHELBY. Mr. Speaker, in this bill that we have before us now, the amendment knocked out the consideration that was in the Senate bill where the Senate bill would require that the Veterans' Administration would consider existing hospitals when they were considering a new Veterans' Administration facility; is that correct?

Mr. MONTGOMERY. That is still in the bill.

Mr. SHELBY. That is still in the bill?

Mr. MONTGOMERY. That is correct.

Mr. SHELBY. But it is new language; it is a little different language, is it not?

Mr. MONTGOMERY. We could not accept all of the Senate language, but that particular requirement is still in the bill.

Mr. SHELBY. The chairman of the committee will recall our conversation regarding the possible purchase of the Providence Hospital in Mobile, AL, and what we have gotten into. Does this language exclude that, or would that change anything?

Mr. MONTGOMERY. Let me clarify what is in the proposed House amendment. The Senate had proposed language which would have required the Administrator to provide a feasibility plan for the purchase of a medical facility that is located in an urban area and is suitable for furnishing both hospital and nursing home care services to veterans. It would have also required the President to include a request in the fiscal year 1987 budget for an appropriate amount to purchase such a facility if warranted by the feasibility plan. That was taken out of the bill, and I know the gentleman strongly supported it.

The reason it was taken out is that we feel that we should not designate where a Veterans' Administration hospital should be built. It should be left up to the Administrator. That is why it was eliminated.

I know that the gentleman has strong feelings about it, but we cannot go around designating when or where a veterans' hospital should be built. However, we did accept language which requires that when the Administrator proposes to Congress to construct a new or replacement VA medical facility, he must include in the prospectus for such project a description of the consideration that was given to acquiring an existing facility by lease or purchase.

Mr. SHELBY. The language is there that they should consider them?

Mr. MONTGOMERY. Yes; that they should consider those existing facilities if they plan to replace or construct a VA medical facility.

Mr. SHELBY. I think that will help in this case. I do not know if it will solve the problem there.

Mr. Speaker, there are a lot of other things in this bill other than that. For that reason I do not object to the gentleman's bringing up the bill, although I do disagree as to that portion of it.

Mr. MONTGOMERY. Mr. Speaker, I do appreciate very much the gentleman's not objecting. We held the bill up trying to work out something with the gentleman from Alabama. We have a lot of things in here that need to move forward to give better medical care to the veterans, and I appreciate very much the gentleman's support.

Mr. SHELBY. Mr. Speaker, I think the gentleman is exactly right. There are a lot of things in here for the veterans of the country.

Mr. MONTGOMERY. Finally, Mr. Speaker, I would like to express my appreciation to the very able chairman of the Senate Committee on Veterans' Affairs [Mr. MURKOWSKI,] and to the very able ranking minority member of the committee [Mr. CRANSTON], for their efforts to work with the House side to seek agreement on the differences in the two bills. I regret I cannot say specifically that the other body is in total agreement with the House amendment, but we have done the very best we can. It is my hope that it will be accepted by the other body in view of the expiring authorizations contained in the measure. We have already granted one temporary increase in these authorizations, and I do not intend to provide for further temporary extensions.

In addition, I would like to thank the very distinguished Senator from California [Mr. CRANSTON], and the distinguished chairman of the committee, [Mr. MURKOWSKI], for working with us to help resolve the issue of cutting back on GS-11 to GS-15 positions in the Veterans' Administration. Both of these gentlemen were very cooperative in our attempts to resolve this issue which is so important to the Agency. My colleagues know that the provision contained in H.R. 505, as passed by the House, was almost a carbon copy of the legislative initiative offered by the distinguished Senator from California and he deserves much of the credit for placing this item high on our agenda. I believe the language proposed in the House amendment is a reasonable compromise to what the distinguished Senator from California introduced on the Senate side. I continue to appreciate the good work of both of these distinguished gentlemen.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, I thank the gentleman for yielding.

First, let me commend the chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY], for the excellent work he has done and the time and effort and consideration that has been put in this bill. I also commend the ranking minority member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], for his cooperation.

I think this type of approach serves well the veterans of America. I have some 5,000 veterans a month moving into the State of Florida. As a matter of fact, I have had 5,000 veterans a month moving into the State for the last 5 years straight, so I have a strong interest in this legislation that we are discussing today, not only as a member of the Committee on Veterans' Affairs but also because I come from a State which has not only a growing veterans population but has a very large veterans population—in fact, some say it is one of the largest in the United States.

Earlier this year I was deeply disturbed by published reports of excessive patient death rates in Veterans' Administration hospitals. Just as disturbing as those reports was the manner in which the Veterans' Administration responded to newspaper inquiries concerning them. I refer in this case to the quality of care at a particular cardiac surgery unit.

The manner in which the Veterans' Administration responded has created a credibility gap in the minds of myself and other Members of Congress, and many veterans, and much of the south Florida public was also concerned. At times it seemed that the primary interest of the Veterans' Administration was not to allay the public's concern but to retreat behind a shield of bureaucratic jargon.

That is why I have introduced legislation which is now contained in this bill, H.R. 505, that would require the disclosure of statistics on medical quality data such as morbidity and mortality rates at individual Veterans' Administration hospitals. That is one reason why I am asking my colleagues to strongly support this legislation.

I am convinced that overall the Veterans' Administration provides excellent health care. But problems in Veterans' Administration hospitals can only be overcome by a policy of complete openness and disclosure. Such a policy ensures a high level of public confidence in the Veterans' Administration, and we know that confidence is required. It allows the public to obtain complete answers to their inquiries and provides the veteran with all the information he or she needs about the safety record of a medical program to which they entrust their lives.

In its present form, this legislation leaves intact peer review sessions where doctors criticize their colleagues. They will not undermine the privacy rights of doctors or of their individual patients, nor will they violate the doctor-patient privilege.

Mr. Speaker, I sincerely believe, in conclusion, that a policy of open and honest disclosure will demonstrate that the Veterans' Administration is indeed operating in the veterans' best interests, and I urge my colleagues to support this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I, too, rise in strong support of H.R. 505, as it is presently before the House. The process of working out the differences in this legislation between the two bodies is, hopefully, close to its culmination.

This is a comprehensive measure with some 29 provisions which would result in significant improvements and new authority for a great variety of VA health care programs.

Most pressing is the simple extension of authority which runs out tomorrow, October 31, 1985, for VA "extraordinary" contract health care in Puerto Rico, for the continued operation of the VA regional office in the Philippines, and for VA contracts with community treatment facilities for veterans with alcohol and drug abuse problems. Each of these deserves to be continued.

This legislation would improve VA's health care administration by modifying certain eligibility requirements. A veteran discharged from a domiciliary or nursing home is not eligible for followup outpatient care. Veterans must be kept in the domiciliary or nursing home in order to receive the needed care. This is not a good use of increasingly scarce VA medical care resources. It would be remedied by making those veterans eligible for outpatient care.

A similar situation would also be remedied by passage of this measure. Transfers of veterans directly from VA nursing homes and domiciliaries to community nursing homes are not authorized by current law. A VA nursing home patient must now needlessly be admitted to a VA hospital before being transferred to a community nursing home.

Further, veterans requiring nursing home care for treatment of service-connected disabilities must now have authorization renewed every 6 months.

The VA now has in place good controls designed to keep nursing home stays from being unnecessarily long. The renewal requirement has outlived its usefulness and now results in wasteful paperwork. This measure would eliminate the renewal requirement.

For veterans who were exposed to agent orange and certain other herbicides, or to ionizing radiation, the questions still remain about the long-term effects of the exposure on their health. These veterans are currently

eligible for certain priority VA health care services until February 1986.

The amendments would extend eligibility until the end of fiscal year 1989. By that time, we should have better information for a determination as to whether benefits should be permanent.

Former prisoners of war would also benefit from the bill. In addition to the VA health care now provided to former POW's, the VA would be authorized to provide counseling at the request of any former POW who needs assistance with the psychological effects of the POW experience.

This measure would require the Administrator to develop and report on a modular approach for the planning and design of VA medical centers in order to evaluate the applicability and cost-effectiveness of such an approach. This appears to have promise as a way to hold down costs without any loss of quality.

The Nation's population is growing older on the average and this is reflected by the average age of its veterans. The demographics of the veteran population present an enormous challenge to the VA. One of the many ways to meet the changing needs of older veterans is through State veterans homes.

VA grants help build them, and the present system which the VA uses to process grant applications should be streamlined to do a better job of getting the money where the greatest immediate needs are.

The amendments would allow the VA to bypass projects to which States have not made their financial commitments in favor of those projects to which States have made their commitments, and they would be chosen on the basis of comparative need. This is a step we should take.

There are many good provisions in this legislation. Suffice it to say that, through the leadership of Mr. MONTGOMERY, chairman of the Veterans' Affairs Committee, and of Mr. EDGAR, chairman of the Subcommittee on Hospitals and Health Care, in close cooperation with the minority, we have an amended bill which has been improved and refined.

I urge each of my colleagues to support it.

Mr. EDGAR. Mr. Speaker, I rise in support of H.R. 505, the Veterans' Administration Health-Care Amendments of 1985. This is a bill that I introduced and which, as amended, was reported unanimously out of the Subcommittee on Hospitals and Health Care and the full Committee on Veterans' Affairs and then amended by the Senate. I am pleased to have helped bring this bill before my colleagues. Today, I am pleased to bring before you a description of the House amendments to the Senate amendments of H.R. 505. I am including a full explanation of these amendments. However, I wish to emphasize a few specific points.

Our schedules in committee and here on the floor have been hectic ones during this Congress. Concerns about the deficit and about how to devise a budget for this country have been overriding issues. Yet, we have not forgotten our commitments to our Nation's veterans, men and women who have served in the defense of their country. This bill should become part of the record of the House as an acknowledgment of the service of these citizens.

Resolution of the differences between the versions of H.R. 505 as passed by the House and amended by the Senate was a difficult task. I want to acknowledge now the hard work and dedication of the chairman of the full committee, [Mr. MONTGOMERY], and of the ranking minority member of both the full committee and of the subcommittee I chair, Mr. HAMMERSCHMIDT. I also want to acknowledge the participation of the members of the subcommittee; their counsel is always valuable, particularly when negotiating with the other body.

The House amendments contain four titles: Title I relates to health-care programs, title II relates to health-care administration, title III relates to VA medical facilities, and title IV concerns some miscellaneous provisions. These titles contain much of the House version of the bill which was designed to provide cost-effective alternatives to institution-based health care delivery and to make more efficient the provision of institutional care when it is medically necessary. This is important because of the anticipated impact of the number of veterans who are aging. We know that the use of health care services increases with increasing age. It, thus, is more important than ever to get the most out of each Federal dollar spent on medical care.

I want to emphasize a provision that has general significance for the VA and special importance to medical care which restricts the VA in implementing an employee grade reduction. As is well-known, the Office of Personnel Management and the Office of Management and Budget responded to a recommendation of the "Grace Commission" by proposing a reduction in funding which would equate to an annual 2-percent reduction in GS grades 11–15 in fiscal years 1985 to 1989. This provision would require a detailed report to the Congress before implementing a grade reduction of certain categories of VA employees.

I would also like to emphasize several provisions relating to aging veterans which were part of the House-passed bill are included. One is a provision that would allow veterans who would otherwise remain in nursing homes and domiciliaries to receive outpatient care to complete their medical treatments. This provision would avoid the use of costly inpatient beds. A related provision is included that would allow veterans who are in VA nursing homes, domiciliaries, or hospital-based home care programs to be admitted directly into a community nursing home. The current requirement is to be admitted first to a VA hospital. This provision would avoid the cost of admitting, using and then being discharged from expensive hospital beds.

Another provision relating to aging veterans is one authorizing the expansion from 15 to 25 the number of geriatric research, education, and clinical centers [GRECCS].

I am pleased that the alcohol and drug treatment and rehabilitation contract authority is extended in the House amendments. I introduced this provision—originally as H.R. 789—which was cosponsored by two of my colleagues from Florida [Mr. MICA] and [Mr. LEHMAN].

I am pleased that the House amendments include a permanent authority to contract for care of non-service-connected veterans in the Virgin Islands is included. This provision also provides a phaseout of this contract authority with respect to Puerto Rico. I deeply appreciate the sincere concern and sponsorship of the gentleman who represents the Virgin Islands, Mr. DE LUGO. I also deeply appreciate the sincere concern and support of the gentleman who represents Puerto Rico, Mr. FUSTER.

I originally introduced as H.R. 2227 a bill that was cosponsored by Chairman MONTGOMERY to authorize a 3-year demonstration project for chiropractic care for veterans. The House amendments contain a modification providing for a five-site pilot program and should provide valuable information about chiropractic services.

All of this said, I must also record my disappointment that two provisions in the bill I introduced are not included in the House amendments. I will continue to work for these provisions and plan to reintroduce them next session.

The first is an authority for the VA to provide respite care for veterans suffering from chronic long-term illnesses. This provision would free hospital beds now occupied by those who could be cared for in their homes if some brief temporary relief for their caregivers, usually their families, were available. I continue to think this is a valuable benefit for veterans, their families, and the VA.

The second is an authority to equalize eligibility for domiciliary care for veterans with service-connected disabilities by removing restrictions to admission of those veterans. I believe the domiciliary program is one of the best and most cost-effective programs in the VA. I plan to hold hearings on this program in the next session and to introduce more extensive legislation concerning this program.

Mr. Speaker, I strongly urge my colleagues to support H.R. 505, as amended by the House.

Mr. DE LUGO. Mr. Speaker, I rise today in support of H.R. 505, a bill to improve the delivery of health care service to our Nation's veterans. I would like to offer my special thanks to Chairman S.V. (SONNY) MONTGOMERY, and to Congressman BOB EDGAR, the chairman of the Subcommittee on Hospitals and Health Care, for their support and understanding of the unique situation of U.S. Virgin Islands veterans.

The U.S. Virgin Islands does not have a VA hospital. The closest VA hospital is in Puerto Rico. Therefore, it is essential that our veterans have the authority to contract

with a doctor of their choice, a doctor who is familiar with their problems, and whose office is close to their home. It is also important that these veterans are able to utilize vendors in the U.S. Virgin Islands in order to obtain essential medical supplies.

The compromise agreement worked out under H.R. 505 would make the contract authority permanent with respect to the Virgin Islands, as it is now in Hawaii and Alaska. This I see as a definite step in the right direction for service to Virgin Islands veterans, for I have long urged that outpatient clinics be built in the U.S. Virgin Islands. While it does not appear possible at this time of severe Federal deficits, I feel the authority to make the contract service a permanent one with respect to the Virgin Islands, is an equitable solution for the interim.

H.R. 505 recognizes that the veterans of the U.S. Virgin Islands have earned their service benefits and are entitled to equitable treatment. I urge your support for this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Mississippi?

There was no objection.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and include extraneous matter, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 505, the legislation just considered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

## CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk called the committees.

□ 1035

## WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3629, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1986

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 302 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 302

*Resolved,* That all points of order under clause 3 of rule XIII are hereby waived against the consideration of the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes. During the consideration of said bill, all points of order against the following provisions in the bill for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived: titles I through VII; and sections 8007, 8016, 8020, 8037, 8040, 8042, 8047, 8048, 8049, 8050, 8058, 8074, 8084, 8093, 8096, 8098, 8099, 8100, 8101, and 8102. It shall be in order to consider en bloc the amendment printed in the Congressional Record of October 29, 1985, by, and if offered by, Representative Schroeder of Colorado, notwithstanding the fact that the amendment changes portions of the bill not yet read for amendment, and such amendment shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore (Mr. WIRTH). The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 302 waives points of order against specified provisions of H.R. 3629, the Department of Defense appropriation bill for fiscal year 1986. The rule does not provide for the bill's consideration because general appropriation bills are privileged under the rules of the House. Provisions relating to time for general debate are also not included in the rule. Customarily, general debate is limited by a unanimous consent request by the chairman of the Appropriations Subcommittee prior to consideration of the bill.

The rule waives all points of order against the consideration of the bill for failure to comply with clause 3 of rule XIII. Clause 3 of rule XIII prohibits consideration of legislation that does not contain a section detailing changes made to existing law in the accompanying committee report. The committee report on H.R. 3629 does not contain the appropriate Ramseyer on the procurement reform provisions adopted by the Appropriations Committee.

The rule waives all points of order against specified provisions of the bill for failure to comply with clauses 2 and 6 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in general appropriations bills. Clause 6 of rule XXI prohibits reappropriations or transfers in general appropriation bills. The rule waivers these clauses of rule XXI against titles I through VII of the bill. These waivers are necessary because the authorization for the Department of Defense for fiscal year 1986 has not been enacted into law. In addition, the rule waives clauses 2 and 6 rule XXI against 20 specified general provisions contained in title VIII of the bill.

The rule allows for the en bloc consideration of an amendment by Representative SCHROEDER. This amendment is printed in the CONGRESSIONAL RECORD of October 29, 1985, and is in order notwithstanding the fact that the amendment changes portions of the bill not yet read for amendment. The amendment is not subject to a demand for a division of the question in the House or in the Committee of the Whole. This is the only special provision made for an amendment in this rule. Other Members, of course, may offer amendments to the bill provided that those amendments do not violate the rules of the House.

Mr. Speaker, H.R. 3629 provides $268.9 billion in new budget authority and $7.75 billion in transfers from other accounts for a total funding availability of $276.3 billion. This bill does not provide the funding for military construction or nuclear warheads. Funding for these programs are contained in other appropriation bills. When the anticipated funding levels for these programs are combined with the $276.3 billion in this bill, total fiscal year 1986 military spending is expected to be $292.6 billion.

It is also important to note that title VIII of this appropriation bill contains 102 general provisions. The rule waives clauses 2 and 6 of rule XXI against 20 of these general provisions. Some of these provisions of special interest to members are provisions relating to procurement reform, a moratorium on carrying out a test on the space defense system against an object in space, multiyear procurement of several major weapons systems, and limitations on procurement of binary chemical munitions.

Mr. Speaker, H.R. 3629 is important legislation that provides the funding for the national security of this Nation. I would urge Members to vote for the adoption of this rule in order to proceed to the timely consideration of this legislation.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the gentlewoman from California has ably explained the provisions of the rule. It would be redundant for me to repeat them.

We all know that we face an emergency in our defense posture. It is necessary that we go forward with this appropriation bill.

I would remind the Members of the House that this bill contains $27.8 billion less than the President requested. It is $9.5 billion less than the budget resolution passed by this House; so

there are considerable savings in our defense posture, although the administration supports the budget resolution level.

So without further ado, Mr. Speaker, I urge the adoption of this rule so that the House can get down to the discussion of this very important measure, the appropriation for the Department of Defense.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], to speak out of order.

(By unanimous consent, Mrs. JOHNSON was allowed to speak out of order.)

LEGISLATION TO RESTORE FAMILY PLANNING PROGRAMS SUBLEVEL

Mrs. JOHNSON. Mr. Speaker, today I am introducing legislation to amend the Foreign Assistance Act, to restore informed consent to assure, as the Reverend Monsignor John G. McCarren says, "liberty of conscience, right to privacy, and absence of coercion," in all family planning programs funded by the Agency for International Development.

This legislation should be unnecessary. Until this year, AID policy required family planning programs to provide information on all methods of contraception, or, if the grantee could not or did not provide a particular service, AID policy required referral.

To my regret, AID has reneged on its commitment to this responsible policy. Since July 8, AID has allowed organizations which promote natural family planning—and those organizations only—to receive Federal funds without providing information or referral on other methods of family planning.

Throughout this Nation, academic freedom policies govern educational institutions because we believe that, given complete information, people will draw the right conclusions. We should require no less of any recipient of Federal funds.

Please join 79 Members of Congress, and 20 medical, religious, and family planning organizations and endorse this legislation.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, and that I may include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1986

Mr. CHAPPELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. MCDADE] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. CHAPPELL].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Illinois [Mr. ROSTENKOWSKI] as Chairman of the Committee of the Whole and requests the gentleman from Michigan [Mr. KILDEE] to assume the chair temporarily.

□ 1046

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3629, with Mr. KILDEE, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Florida [Mr. CHAPPELL] will be recognized for 1 hour, and the gentleman from Pennsylvania [Mr. MCDADE] will be recognized for 1 hour.

The Chair recognizes the gentleman from Florida [Mr. CHAPPELL].

Mr. CHAPPELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to manage this bill today in the place of our good friend and colleague, the gentleman from New York, Mr. JOE ADDABBO, who as all of us know is hospitalized at this time with a kidney ailment.

I want to say that I talked to him this morning and he asked me to give his greetings to his many friends here and to say that he is coming along very well, indeed, and hopes to be out of the hospital in the next few weeks.

As a matter of fact, he has gained about 30 pounds. He is feeling much better and he is doing very well. As a matter of fact, the doctors are talking about putting him on a diet to restrict his weight. I again bring you his greetings and say that all of us wish him Godspeed in his recovery.

I want to take this opportunity to thank all the members of the Defense Subcommittee for their advice and indulgence in marking up and reporting out the Defense appropriation bill for fiscal year 1986. It was a group effort and is generally supported in its entirety by all the subcommittee members. This can be attested to by the fact that there were no separate, minority, or dissenting views filed in the report.

I want to especially thank the chairman of the appropriations Committee, JAMIE L. WHITTEN, for his advice and assistance and the ranking minority member of the subcommittee, JOSEPH M. MCDADE for his cooperation and assistance in formulating this difficult bill.

It was not an easy task to draft the bill before you today. We tried to provide funds for all the necessary programs while keeping the overall funding level within the guidelines expressed by the House. I think we were able to do that realizing, of course, that everyone will not be pleased with all aspects of this bill.

BILL SUMMARY

The bill before you maintains a freeze level in total obligational authority comparable to last year's level. This bill provides total obligational authority of $276.3 billion consisting of $268.6 billion in new budget authority and $7.7 billion in transfers from other accounts.

The $276.3 billion in total obligational authority is approximately the Defense appropriation bill portion of the $292.6 billion defense level proposed by the House in its budget resolution and its Defense Authorization Act when they passed and represents a freeze in defense funding levels for fiscal year 1986. This seems to be the level the House currently supports and the Appropriations Committee recommends this level.

Just to give the House some perspective as the total appropriations provided to the Defense Department in the recent past let me briefly set forth some statistics. For the 6-year period—fiscal year 1980 through fiscal year 1985—the Defense Department received appropriations and transfer authority totaling $1.3 trillion which excludes military construction, military family housing, civil defense, and nuclear warhead research and production.

The total obligational authority level recommended in this bill of $276.3 billion represents a 100-percent increase over the fiscal year 1980 funding level.

In light of the current deficit reduction efforts and the prospects of large budget deficits in the immediate future, the Appropriations Committee felt the level of funding recommended in this bill is adequate.

Let me now briefly cover what is recommended in the Defense appropriation bill before you.

Mr. Chairman, pages 5, 6, and 7 of the committee's report list a number of significant and highly visible programs addressed in the bill and I advise the Members to read these highlights to easily identify programs of interest to them.

MILITARY PERSONNEL

The bill recommends $70 billion for military personnel or $1.8 billion above last year's level and $3.4 billion below the budget request. These funds provide 2,167,370 active duty military personnel, an increase of 15,000 above fiscal year 1985 and a selected reserve man-year average of 1,096,333, an increase of 42,971 above last year.

The bill approves the 3-percent military pay raise, effective October 1, 1986, but requires DOD to absorb 10 percent of the total costs.

The bill recommends a total reduction of $2.7 billion from the military personnel accounts as a result of the retired pay limitations imposed by the Defense Authorization Act, 1986. This, of course, accounts for most of the recommended reductions of $3.4 billion below the budget request.

OPERATION AND MAINTENANCE

The bill recommends $77.1 billion for the operation and maintenance accounts which is roughly the same level of funding provided last year and $5.3 billion below the budget request.

The first major reduction of $4.4 billion is a result of pricing adjustments such as reduced fuel prices, lower than anticipated inflation, revised foreign currency assumptions, increases in competition, and improvements in DOD's acquisition process.

The second major reduction of $1.5 billion results from authorization action.

The third major adjustment adds $932 million to reduce the depot maintenance and real property maintenance backlogs and to partially restore the civilian pay reduction originally recommended by the administration.

There is also $300 million in reductions recommended by the committee in programs felt to be unnecessary or duplicative.

While these reductions in military personnel and operation and maintenance seem large, they do not materially affect the readiness of our forces and are fully justified.

PROCUREMENT

The bill recommends $93.4 in total obligational authority for procurement, a reduction of $5.2 billion below last year's level and a decrease of $13.4 below the budget request. Some of the so called "big ticket" items recommended in the bill follow:

The bill recommends $1.1 billion to purchase 144 AH-64 Apache attack helicopters; $1.6 billion to purchase 840 M-1 Abrams tanks; $2.3 billion to purchase 84 F/A-18 aircraft; $1.2 billion to purchase one Trident submarine; $2.1 billion to purchase 4 SSN-688 nuclear attack submarines; $2.6 billion to purchase 3 CG-47 Aegis cruisers; $5.2 billion to purchase 48 B-1B bombers; $1.8 billion to purchase 48 F-15 aircraft; $2.6 billion to purchase 180 F-16 aircraft; $1.7 billion to purchase 16 C-5B airlift aircraft; $200 million to begin a competition and procure air defense aircraft for the Air Force; and $1.8 billion to purchase 12 MX missiles.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The bill recommends $34.1 billion in total obligational authority for research, development, test and evaluation which is $2.9 billion above the fiscal year 1985 level and $6.1 billion below the budget request. Some of the specific recommendations in the bill are as follows:

The bill recommends $2.1 billion for continued development of the Trident II strategic missile system; $570 million for continued development of the Tilt-Rotor JVX aircraft; $1.5 billion for ICBM modernization; $384 million for continued development of the C-17 transport aircraft; and $2.5 billion for the Strategic Defense Initiative—"star wars."

NATIONAL GUARD AND RESERVE FORCES

The bill recommends over $20 billion for the National Guard and Reserve Forces which includes add-ons above the budget request of $700 million mostly for equipment. I refer Members to pages 10 through 21 of the committee report which set forth the funds provided for the National Guard and Reserve forces. The committee has always been a staunch supporter of the Guard and Reserve and we continue to try to update the equipment available to these forces.

INTELLIGENCE MATTERS

The committee reviews the intelligence and intelligence-related activities budgets with the same intensity and completeness as is afforded other portions of the Department of Defense [DOD] budget. Because of the highly sensitive nature of these activities, the results of the committee's budget review are published in a separate detailed and comprehensive classified annex to this report and cannot be discussed on the floor.

GENERAL PROVISIONS

The bill includes several provisions dealing with matters of interest to the Members. One deals with the prohibition of lethal aid to Nicaragua. The subcommittee has included the exact prohibition contained in the House-passed intelligence authorization bill which prohibits the CIA, DOD, or any other agency of the United States involved in intelligence activities from providing material assistance, directly or indirectly, to the Nicaraguan Democratic Resistance, including arms, ammunitions, or other equipment or material which could be used to inflict serious bodily harm or death. Additional language was included to clarify that nothing in the prohibition will impair the administration of humanitarian assistance previously provided.

Another general provision prohibits the obligation or expenditure of funds to carry out a test of an antisatellite weapon against an object in space until the President certifies the Soviet Union has conducted a similar test after October 3, 1985.

The bill recommends a provision placing certain conditions on the use of funds provided for the procurement of binary chemical munitions similar to those provisions contained in the House-passed Defense Authorization Act, 1986.

I remind the members of the committee that the majority of the thousands of line-items in the Defense budget remain untouched by the subcommittee and they are funded at the budget request level or the authorized levels.

CONCLUSION

Mr. Chairman, I realize that the bill is not going to please everyone, but I think it is a good bill and I urge your support of the recommendations of the committee. I shall submit a table providing additional details of the bill for the RECORD at this point.

The table follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

| | Fiscal year— | | House | House bill compared with— | |
|---|---|---|---|---|---|
| | 1985 enacted[1] | 1986 estimates[2] | | Enacted | Estimates |
| **TITLE I—MILITARY PERSONNEL** | | | | | |
| Military personnel, Army | 21,437,593,000 | 22,712,000,000 | 21,718,923,000 | +281,330,000 | −993,077,000 |
| (Transfer from other accounts) | (25,000,000) | | | (−25,000,000) | |
| Military personnel, Navy | 15,660,246,000 | 17,221,400,000 | 16,446,673,000 | +786,427,000 | −774,727,000 |
| (Transfer from other accounts) | (339,633,000) | | | (−339,633,000) | |
| Military personnel, Marine Corps | 4,910,206,000 | 5,217,400,000 | 5,025,377,000 | +115,171,000 | −192,023,000 |
| (Transfer from other accounts) | (10,000,000) | | | (−10,000,000) | |
| Military personnel, Air Force | 17,826,830,000 | 19,187,900,000 | 18,275,085,000 | +448,255,000 | −912,815,000 |
| (Transfer from other accounts) | (112,854,000) | | | (−112,854,000) | |
| Reserve personnel, Army | 2,084,100,000 | 2,394,400,000 | 2,152,904,000 | +68,804,000 | −241,496,000 |
| Reserve personnel, Navy | 1,132,319,000 | 1,353,600,000 | 1,296,023,000 | +163,704,000 | −57,577,000 |
| (Transfer from other accounts) | (22,000,000) | | | (−22,000,000) | |
| Reserve personnel, Marine Corps | 271,778,000 | 290,000,000 | 278,792,000 | +7,014,000 | −11,208,000 |
| Reserve personnel, Air Force | 567,476,000 | 622,500,000 | 596,053,000 | +28,577,000 | −26,447,000 |
| National Guard personnel, Army | 2,926,100,000 | 3,430,800,000 | 3,238,017,000 | +311,917,000 | −192,783,000 |
| National Guard personnel, Air Force | 886,110,000 | 995,100,000 | 953,004,000 | +66,894,000 | −42,096,000 |
| Total, title I, military personnel: | | | | | |
| New budget (obligational) authority | 67,702,758,000 | 73,425,100,000 | 69,980,851,000 | +2,278,093,000 | −3,444,249,000 |
| (Transfer from other accounts) | (509,487,000) | | | (−509,487,000) | |
| **TITLE II—OPERATION AND MAINTENANCE** | | | | | |
| Operation and maintenance, Army | 18,421,544,000 | 20,190,630,000 | 18,659,638,000 | +238,094,000 | −1,530,992,000 |
| (Transfer from other accounts) | (119,300,000) | | | (−119,300,000) | |
| Operation and maintenance, Navy | 25,123,360,000 | 25,797,700,000 | 23,762,002,000 | −1,361,358,000 | −2,035,698,000 |
| (Transfer from other accounts) | (180,829,000) | | | (−180,829,000) | |
| Operation and maintenance, Marine Corps | 1,640,294,000 | 1,667,400,000 | 1,615,128,000 | −25,166,000 | −52,272,000 |
| (Transfer from other accounts) | (8,488,000) | | | (−8,488,000) | |
| Operation and maintenance, Air Force | 19,093,265,000 | 20,924,400,000 | 19,507,672,000 | +414,407,000 | −1,416,728,000 |
| (Transfer from other accounts) | (90,346,000) | | | (−90,346,000) | |
| Operation and maintenance, Defense agencies | 7,148,699,000 | 7,568,900,000 | 7,340,076,000 | +191,377,000 | −228,824,000 |
| (Transfer from other accounts) | (8,000,000) | | | (−8,000,000) | |
| Operation and maintenance, Army Reserve | 731,736,000 | 779,600,000 | 774,980,000 | +43,244,000 | −4,620,000 |
| Operation and maintenance, Navy Reserve | 828,581,000 | 954,500,000 | 896,415,000 | +67,834,000 | −58,085,000 |
| Operation and maintenance, Marine Corps Reserve | 58,792,000 | 61,600,000 | 57,120,000 | −1,672,000 | −4,480,000 |
| Operation and maintenance, Air Force Reserve | 879,761,000 | 907,700,000 | 896,844,000 | +17,083,000 | −10,856,000 |
| Operation and maintenance, Army National Guard | 1,437,487,000 | 1,605,200,000 | 1,646,305,000 | +208,818,000 | +41,105,000 |
| Operation and maintenance, Air National Guard | 1,825,439,000 | 1,830,100,000 | 1,803,862,000 | −21,577,000 | −26,238,000 |
| National Board for the Promotion of Rifle Practice, Army | 926,000 | 920,000 | 820,000 | −106,000 | −100,000 |
| Claims, Defense | 157,900,000 | 158,300,000 | 148,300,000 | −9,600,000 | −10,000,000 |
| Court of Military Appeals, Defense | 2,870,000 | 3,200,000 | 3,200,000 | +330,000 | |
| 10th International Pan American Games | | | 10,000,000 | +10,000,000 | +10,000,000 |
| Environmental restoration, Defense | 314,000,000 | | [3] (329,100,000) | −314,000,000 | |
| Total, title II, operation and maintenance: | | | | | |
| New budget (obligational) authority | 77,664,654,000 | 82,450,150,000 | 77,122,362,000 | −542,292,000 | −5,327,788,000 |
| (Transfer from other accounts) | (406,963,000) | | | (−406,963,000) | |
| **TITLE III—PROCUREMENT** | | | | | |
| Aircraft procurement, Army | 3,940,900,000 | 3,892,500,000 | 3,337,300,000 | −603,600,000 | −555,200,000 |
| (Transfer from other accounts) | | | (217,600,000) | (+217,600,000) | (+217,600,000) |
| Missile procurement, Army | 3,167,000,000 | 3,386,700,000 | 2,939,232,000 | −227,768,000 | −447,468,000 |
| (Transfer from other accounts) | | | (124,500,000) | (+124,500,000) | (+124,500,000) |
| Procurement of weapons and tracked combat vehicles, Army | 4,548,100,000 | 5,739,100,000 | 3,749,004,000 | −799,096,000 | −1,990,096,000 |
| (Transfer from other accounts) | | | (806,896,000) | (+806,896,000) | (+806,896,000) |
| Procurement of ammunition, Army | 2,646,300,000 | 2,635,000,000 | 1,858,200,000 | −788,100,000 | −776,800,000 |
| (Transfer from other accounts) | | | (215,200,000) | (+215,200,000) | (+215,200,000) |
| Other procurement, Army | 5,122,450,000 | 5,712,800,000 | 4,809,986,000 | −312,464,000 | −902,814,000 |
| (Transfer from other accounts) | | | (297,400,000) | (+297,400,000) | (+297,400,000) |
| Aircraft procurement, Navy | 10,903,798,000 | 12,062,600,000 | 10,446,400,000 | −457,398,000 | −1,616,200,000 |
| (Transfer from other accounts) | | | (594,600,000) | (+594,600,000) | (+594,600,000) |
| Weapons procurement, Navy | 4,353,611,000 | 5,627,900,000 | 5,093,733,000 | +740,122,000 | −534,167,000 |
| (Transfer from other accounts) | | | (109,600,000) | (+109,600,000) | (+109,600,000) |
| Shipbuilding and conversion, Navy | 11,736,000,000 | 11,411,600,000 | 8,648,900,000 | −3,087,100,000 | −2,762,700,000 |
| (Transfer from other accounts) | (36,300,000) | | (2,058,500,000) | (+2,022,200,000) | (+2,058,500,000) |
| Other procurement, Navy | 5,341,614,000 | 6,601,200,000 | 5,682,694,000 | +341,080,000 | −918,506,000 |
| (Transfer from other accounts) | | | (312,762,000) | (+312,762,000) | (+312,762,000) |
| Procurement, Marine Corps | 1,836,722,000 | 1,726,800,000 | 1,610,749,000 | −225,973,000 | −116,051,000 |
| (Transfer from other accounts) | | | (85,717,000) | (+85,717,000) | (+85,717,000) |
| Aircraft procurement, Air Force | 26,188,266,000 | 26,165,500,000 | 20,722,700,000 | −5,465,566,000 | −5,442,800,000 |
| (Transfer from other accounts) | | | (1,458,300,000) | (+1,458,300,000) | (+1,458,300,000) |
| Missile procurement, Air Force | 6,909,245,000 | 10,862,700,000 | 8,043,527,000 | +1,134,282,000 | −2,819,173,000 |
| (Transfer from other accounts) | (1,500,000,000) | | (155,000,000) | (−1,345,000,000) | (+155,000,000) |
| Other procurement, Air Force | 8,861,697,000 | 9,538,000,000 | 7,890,918,000 | −970,779,000 | −1,647,082,000 |
| (Transfer from other accounts) | | | (347,476,000) | (+347,476,000) | (+347,476,000) |
| National Guard and Reserve equipment | 380,000,000 | | 582,000,000 | +202,000,000 | +582,000,000 |
| (Transfer from other accounts) | | | (8,000,000) | (+8,000,000) | (+8,000,000) |
| Procurement, Defense agencies | 1,165,701,000 | 1,391,900,000 | 1,181,869,000 | +16,168,000 | −210,031,000 |
| (Transfer from other accounts) | | | (36,000,000) | (+36,000,000) | (+36,000,000) |
| Defense Production Act purchases | 10,000,000 | 59,000,000 | | −10,000,000 | −59,000,000 |
| Total, title III, procurement: | | | | | |
| New budget (obligational) authority | 97,111,404,000 | 106,813,300,000 | 86,597,212,000 | −10,514,192,000 | −20,216,088,000 |
| (Transfer from other accounts) | (1,536,300,000) | | (6,827,551,000) | (+5,291,251,000) | (+6,827,551,000) |
| **TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION** | | | | | |
| Research, development, test, and evaluation, Army | 4,349,015,000 | 5,279,900,000 | 4,431,475,000 | +82,460,000 | −848,425,000 |
| (Transfer from other accounts) | | | (110,530,000) | (+110,530,000) | (+110,530,000) |
| Research development, test, and evaluation, Navy | 9,172,622,000 | 11,264,300,000 | 9,462,631,000 | +290,009,000 | −1,801,669,000 |
| (Transfer from other accounts) | | | (271,496,000) | (+271,496,000) | (+271,496,000) |
| Research development, test, and evaluation, Air Force | 13,424,147,000 | 15,578,500,000 | 13,217,177,000 | −206,970,000 | −2,361,323,000 |
| (Transfer from other accounts) | | | (359,000,000) | (+359,000,000) | (+359,000,000) |
| Research development, test, and evaluation, Defense Agencies | 4,182,287,000 | 7,053,900,000 | 5,943,038,000 | +1,760,751,000 | −1,110,862,000 |
| (Transfer from other accounts) | | | (179,112,000) | (+179,112,000) | (+179,112,000) |
| Director of Test and Evaluation Defense | 59,000,000 | 103,500,000 | 93,500,000 | +34,500,000 | −10,000,000 |
| Total, title IV, research, development, test, and evaluation: | | | | | |
| New budget (obligational) authority | 31,187,071,000 | 39,280,100,000 | 33,147,821,000 | +1,960,750,000 | −6,132,279,000 |
| (Transfer from other accounts) | | | (920,138,000) | (+920,138,000) | (+920,138,000) |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

| | Fiscal year— | | House | House bill compared with— | |
|---|---|---|---|---|---|
| | 1985 enacted[1] | 1986 estimates[2] | | Enacted | Estimates |
| TITLE V—SPECIAL FOREIGN CURRENCY PROGRAM | | | | | |
| Special foreign currency program | 8,650,000 | 2,100,000 | 2,100,000 | −6,550,000 | |
| TITLE VI—REVOLVING AND MANAGEMENT FUNDS | | | | | |
| Army stock fund | 366,448,000 | 442,000,000 | 393,000,000 | +26,552,000 | −49,000,000 |
| Navy stock fund | 473,307,000 | 716,500,000 | 616,500,000 | +143,193,000 | −100,000,000 |
| Marine Corps stock fund | 34,908,000 | 42,700,000 | 37,700,000 | +2,792,000 | −5,000,000 |
| Air Force stock fund | 548,593,000 | 464,900,000 | 415,900,000 | −132,693,000 | −49,000,000 |
| Defense stock fund | 130,700,000 | 193,500,000 | 149,700,000 | +19,000,000 | −43,800,000 |
| Total, title VI, revolving and management funds: New budget (obligational) authority | 1,553,956,000 | 1,859,600,000 | 1,612,800,000 | +58,844,000 | −246,800,000 |
| TITLE VII—RELATED AGENCIES | | | | | |
| Intelligence community staff | 20,971,000 | 22,283,000 | 22,083,000 | +1,112,000 | −200,000 |
| Central Intelligence Agency retirement and disability system fund | 99,300,000 | 101,400,000 | 101,400,000 | +2,100,000 | |
| Enhanced security countermeasures capabilities | 35,000,000 | | | −35,000,000 | |
| Total, title VII, related agencies: New budget (obligational) authority | 155,271,000 | 123,683,000 | 123,483,000 | −31,788,000 | −200,000 |
| TITLE VIII—GENERAL PROVISIONS | | | | | |
| (Additional transfer authority, sec. 8020) | (1,200,000,000) | (1,200,000,000) | (1,200,000,000) | | |
| RECAPITULATION | | | | | |
| Title I—Military personnel | 67,702,758,000 | 73,425,100,000 | 69,980,851,000 | +2,278,093,000 | −3,444,249,000 |
| (Transfer from other accounts) | (509,487,000) | | | (−509,487,000) | |
| Title II—Operation and maintenance | 77,664,654,000 | 82,450,150,000 | 77,122,362,000 | −542,292,000 | −5,327,788,000 |
| (Transfer from other accounts) | (406,963,000) | | | (−406,963,000) | |
| Title III—Procurement | 97,111,404,000 | 106,813,300,000 | 86,597,212,000 | −10,514,192,000 | −20,216,088,000 |
| (Transfer from other accounts) | (1,536,300,000) | | (6,827,551,000) | (+5,291,251,000) | (+6,827,551,000) |
| Title IV—Research, development, test, and evaluation | 31,187,071,000 | 39,280,100,000 | 33,147,821,000 | +1,960,750,000 | −6,132,279,000 |
| (Transfer from other accounts) | | | (920,138,000) | (+920,138,000) | (+920,138,000) |
| Title V—Special foreign currency program | 8,650,000 | 2,100,000 | 2,100,000 | −6,550,000 | |
| Title VI—Revolving and management funds | 1,553,956,000 | 1,859,600,000 | 1,612,800,000 | +58,844,000 | −246,800,000 |
| Title VII—Related agencies | 155,271,000 | 123,683,000 | 123,483,000 | −31,788,000 | −200,000 |
| Title VIII—General provisions (additional transfer authority, sec. 8020) | (1,200,000,000) | (1,200,000,000) | (1,200,000,000) | | |
| Total, Department of Defense (NOA) | 275,383,764,000 | 303,954,033,000 | 268,586,629,000 | −6,797,135,000 | −35,367,404,000 |
| (Transfer from other accounts) | (2,452,750,000) | | (7,747,689,000) | (+5,294,939,000) | (+7,747,689,000) |
| Total funding available | 277,836,514,000 | 303,954,033,000 | 276,334,318,000 | −1,502,196,000 | −27,619,715,000 |
| (Transfer authority) | (1,200,000,000) | (1,200,000,000) | (1,200,000,000) | | |
| Distribution by organizational component: | | | | | |
| Army | 71,179,699,000 | 78,201,550,000 | 69,709,784,000 | −1,469,915,000 | −8,491,766,000 |
| (Transfer from other accounts) | (144,300,000) | | (1,772,126,000) | (+1,627,826,000) | (+1,772,126,000) |
| Navy | 93,478,158,000 | 102,017,200,000 | 90,976,837,000 | −2,501,321,000 | −11,040,363,000 |
| (Transfer from other accounts) | (597,250,000) | | (3,432,675,000) | (+2,835,425,000) | (+3,432,675,000) |
| Air Force | 97,010,829,000 | 107,077,300,000 | 92,322,742,000 | −4,688,087,000 | −14,754,558,000 |
| (Transfer from other accounts) | (1,703,200,000) | | (2,319,776,000) | (+616,576,000) | (+2,319,776,000) |
| Defense agencies/OSD | 13,179,807,000 | 16,534,300,000 | 15,200,883,000 | +1,691,976,000 | −1,662,517,000 |
| (Transfer from other accounts) | (8,000,000) | | (215,112,000) | (+207,112,000) | (+215,112,000) |
| Reserve and National Guard (procurement) | 380,000,000 | | 582,000,000 | +202,000,000 | +582,000,000 |
| (Transfer from other accounts) | | | (8,000,000) | (+8,000,000) | (+8,000,000) |
| Related agencies | 155,271,000 | 123,683,000 | 123,483,000 | −31,788,000 | −200,000 |
| Total, Department of Defense (NOA) | 275,383,764,000 | 303,954,033,000 | 268,586,629,000 | −6,797,135,000 | −35,367,404,000 |
| (Transfer from other accounts) | (2,452,750,000) | | (7,747,689,000) | (+5,294,939,000) | (+7,747,689,000) |
| Total funding available | 277,836,514,000 | 303,954,033,000 | 276,334,318,000 | −1,502,196,000 | −27,619,715,000 |
| (Transfer authority) | (1,200,000,000) | (1,200,000,000) | (1,200,000,000) | | |

[1] Includes amounts in Supplemental Appropriation Act, 1985.
[2] Includes $383,000 for the intelligence community staff (H.Doc. 99–89).
[3] Funds are included in individual appropriation accounts.

□ 1100

Mr. McDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me begin by commending my colleague, the gentleman from Florida [Mr. CHAPPELL] who just explained in great detail what is in this enormously large and important bill. My colleague and our friend from Florida took over as acting chairman of this subcommittee at a very difficult time, and all of the House, I think, should know that he conducted himself with professionalism all the way through. We are very proud of the job that he did. He sought to run the committee in a very bipartisan way and to make sure all voices were heard, and he accomplished this.

At the same time, we need to know that missing from our presence today is our dear friend and colleague, the gentleman from New York, Chairman JOE ADDABBO, who is recovering in the hospital. As we proceed today with this bill, we know that he, and indeed his lovely wife, Grace, have our warm prayers for a speedy recovery, and we look forward to his resumption of handling this bill as our chairman as his recovery progresses.

Let me say, too, that it has been a privilege for me to work with all of my colleagues on both sides of the aisle, all of whom have made significant inputs into this bill. Mr. Chairman, the subcommittee, as it often does, had substantial disagreements, but we worked to try to achieve consensus on this bill that we could present to the floor. Each and every Member, both sides of the aisle, made such a contribution, and I would be deeply remiss if I did not express to each and every one of them my thanks for their interest, for their understanding, for their willingness to try to do what everyone perceived to be in the best interests of our Nation.

I want to express my appreciation, too, to the staff of our committee which is second to none in the Congress, which provides us with a continuing flow of information and detail, again in a very bipartisan way so that we can attempt to make judgments so that we are confident in, and that we believe we have the facts for. They do so much of the daily, very difficult work in tracking all of the intricacies of this bill, that they deserve the congratulations and plaudits of all of us. They are, indeed, men and women who conduct themselves in the best interest of the Nation.

I do have to make a personal reference to a member of the staff of this committee who has been with the committee for some time and will soon be leaving it to go on to perhaps bigger and better things with the Packard Commission as she assumes a very important role with the Packard Commission. I am referring to Robin Deck,

who has served this committee ably and honorably for many, many years. To her, I want to extend on behalf of all of us, our personal thanks, and indeed, our very best wishes as she goes into her new assignment. We hate to see you leave, but we know you will do a super job at the Packard Commission, which is so important.

Mr. Chairman, as my distinguished friend from Florida has indicated, we went through what was a very difficult time in this bill, both because of the fiscal situation of the Nation and because of the absence, as we got down to the mark, of our very able and distinguished friend, the gentleman from New York [Mr. ADDABBO] whose role was ably filled by my dear friend from Florida [Mr. CHAPPELL].

As he has suggested to you, our bill today provides $276 billion, which is a good deal less, some $27 billion less, than was requested by the President, and roughly $9 billion below the amount that was authorized by the House yesterday with passage of the authorization bill.

The reasons that we arrived at this are very straightforward. The members of our committee, indeed, the Members of this House, feel very strongly about the issue of deficit spending, and they believe, and I believe that defense spending, as critical as it is, must be included as a full partner in the efforts at deficit reduction. And in addition, through the course of the year on some very, very difficult issues, the House has spoken several times on the issue of defense regarding the overall level of spending and, indeed, on individual programs. And through those debates, held throughout the course of this year, in what has been, to put it mildly, an extended discussion of defense issues, there was, I believe, a consensus developing in the House on both sides of the aisle about where we ought to be on a number of those programs.

Our goal as a subcommittee, then, when we sat down with this bill, was to try to respect and to build on that consensus that had been achieved. And our goal was to bring to the floor an appropriation bill for the Department of Defense that we could all support.

As my friend from Florida has said, I believe we have managed to do that, and I hope that all of my colleagues will, indeed, lend their support to this bill without amendment. We bring it to you as a work product that is complex and difficult.

I am not going to attempt to cover the ground that my distinguished friend from Florida did. The report is over 400 pages long, and the bill itself is about 117 pages in length. So I will not attempt to revisit all of those issues.

You need to know that we are about at a freeze for DOD at last year's level, and to do so, we had to, as my friend from Florida indicated, scrutinize every account. None of them were immune. All of them, if you will, made a contribution to achieving the levels of appropriations that we have here.

You should know there is about $13 billion in immediate deficit reduction as a result of this bill, a highly significant amount of money in deficit reduction, and that there are, indeed, a lot of sacrifices. I suppose if we looked at the level of this bill today and discussed it earlier in the year at a level that would be about a freeze, a lot of us would not have believed that we would ever bring such a bill to the floor.

Well, we did and we are here, and we are because of the problems that face the Nation and, indeed, the problems that face our committee as we attempt to get here in the very closing hours of the session perhaps the most important appropriation bill. They are all important, but certainly this bill is second to none in matters of its importance.

Mr. Chairman, I believe that we have achieved a bill that is supportable by Members on both sides of the aisle. I hope, as I have said, that it will be adopted as we have presented it to you.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I too want to compliment the distinguished gentleman from Florida [Mr. CHAPPELL], our acting chairman of the Defense Appropriations Subcommittee, for the quality work that he has done in the absence of our beloved chairman, the gentleman from New York [JOE ADDABBO], in preparing this bill for consideration by the House of Representatives. He has worked with all members of the committee on both sides of the aisle. He has worked with the Members of this House who are interested in defense and national security issues, and I think he has done an outstanding job for which he should be complimented.

I also want to pay respect to the distinguished ranking minority member, the gentleman from Pennsylvania [Mr. MCDADE], who has taken over as the ranking member of this committee. He too has done a tremendous job in crafting this legislation. Our committee has always operated on a bipartisan basis. I also want to compliment our staff, and particularly Robin Deck, who is leaving. We are going to be expecting her to do a lot of work in procurement reform in her work with the Packard Commission and to shape up that part of the defense operation. I know she will.

Reaching the budget target freezing defense spending was not painless. it required some difficult decisions. But we have accomplished this in a way that does not undercut our national security and fully meets our obligation to provide for the common defense.

But looking into the future, I am uneasy about our ability to meet these commitments. I am particularly referring to the implications of Gramm-Rudman on defense spending. I am certainly not saying that defense should receive special treatment in a deficit reduction effort, it must bear its fair share. But the specific provisions of Gramm-Rudman could go well beyond that fair share to create defense disasters in the pursuit of arbitrary and poorly drafted budget targets. The letter of the chairman of the Armed Services Committee, Mr. ASPIN, to Secretary of Defense Caspar Weinberger illustrates just how crippling this legislation could be on the defense budget. It reads as follows:

DEAR CAP, I have been startled by the Pentagon's silence over the Gramm/Rudman legislation to force a balanced budget by 1991. Repeated efforts to get you or someone else from the Defense Department to testify before the House Armed Services Committee have met with refusals. Apparently, since the White House has given its imprimatur to Gramm/Rudman, no one in the Pentagon wants to speak up on how Gramm/Rudman could foul up defense. Although I respect this tremendous loyalty to your commander in chief, I question whether silence demonstrates good stewardship by the political leadership in the Pentagon.

Let me divide the issue into two parts. The first part is the argument I would expect you to be making. The second part is a compendium of facts that disturbs me greatly and that I think ought to disturb all citizens, regardless of ideology.

As you know, Gramm/Rudman establishes deficit ceilings, starting with $180 billion in 1986. In each successive year, the ceiling is reduced by $36 billion until we reach zero—that is, a balanced budget—in 1991. To enforce the ceiling, the legislation orders cuts if the deficit is expected to exceed the ceiling.

The first cuts would be non-Social Security cost-of-living allowances. After that, the remainaing cuts would be determined by a formula. That formula is skewed to impose disproportionate cuts on defense. Defense makes up less than one-third of total federal spending. But if Gramm-Rudman is enacted and the formula kicks in for fiscal year 1986, the formula ensures that half the cuts will come out of defense—at the absolute minimum. The larger the amount by which the deficit exceeds the $180 billion ceiling, the larger will be the slice cut from defense. The defense portion could rise to almost two-thirds, or double the share one would expect defense to contribute.

One reason for this skew is the decision to exclude such programs as Social Security from any cutbacks at all. But the hit on defense is further ballooned by the decision to include existing defense contracts in the pool of funding to be cut, while excluding most existing contracts for domestic programs.

Many liberals can and will argue that this is a fair distribution of cuts. In truth, this formula will save many domestic programs

from meat-ax cuts, though many will still be badly chewed up. But what startles me is the Defense Department's silence in the face of this formula. For years, I have been hearing from you about the crucial significance of a major defense buildup. In recent months, we've been told how devastating it would be if defense budgets were held to only 3 percent annual growth in the next five years. Now, everyone is talking about a proposal that would not only force huge cuts in defense, but disproportionate cuts as well, and the word from the Pentagon is . . . silence.

I would observe, Cap, that you are painting yourself into a corner from which it will be almost impossible to argue for further defense increases. If the administration is going to worship at the altar of Gramm/Rudman, it is going to have to kiss the defense buildup goodbye. In fact, with Gramm/Rudman in place, you are going to preside over the largest peacetime defense cutback in history.

In your only public comment on Gramm/Rudman to date, you responded to a direct question from Human Events as to whether Gramm/Rudman could "impinge on defense outlays" by acknowledging, "Yes, it could"—but then promptly shifted into neutral gear. You said the president "would not feel required to make reductions in defense." What are you guys smoking over there? Is anyone over there reading this document? Such a statement makes sense only if the president intends to violate his oath of office and ignore the Gramm/Rudman statute.

There are other, less ideological problems with Gramm/Rudman that are causing me to lose sleep. If I were to try to sum it up in one sentence without resort to unnecessary, emotion-laden terms. I would have to say that it is just about the dumbest piece of legislation I have seen in my 15 years on Capitol Hill. Certainly, it is the dumbest piece of legislation to be given serious consideration by Congress.

There is a fundamental flaw in Gramm/Rudman that results from the conflicting concerns of Congress. Congress wants the deficit cut, but it doesn't want to give the president the opportunity to reshape national priorities—since that would effectively rewrite the Constitution by removing the legislative branch from the priority-setting process.

To make budget cuts rationally, you want to make them in lower-priority programs—and determining priorities is part of the political process. If you give the president the authority to choose where the ax will fall, you let him set priorities—and you give him the option of taking punitive action, like closing military bases in the districts of congressmen who don't support his programs.

To forestall such problems, Gramm/Rudman has laced together a legislative straitjacket that denies the president any priority-setting authority and instead imposes a strict formula for sequestering funds. It's ironic: in order to make sure the president cannot make cuts we dislike, Congress is prepared blindly to put in place a formula that forces cuts nobody wants.

Perhaps most astounding is that a 10 percent cut, which is quite possible in the fourth year of Gramm/Rudman, could force the firing of almost one-third of all those in uniform. Yes, one-third; 674,000 of the 2,150,000 persons in uniform. That's the equivalent of eliminating the Marine Corps—three times.

Will someone over there please read the fine print in Gramm/Rudman? The 10 percent cut would be imposed on each line item. The payroll for each service is a line item. Gramm/Rudman does not allow cuts in salary—so you have to lay people off. But a 10 percent cut in funds doesn't equate to a 10 percent cut in people. First, the firings won't take place until a month into the fiscal year. Then you have to pay to move these people and their furnishings home. And you have to pay them accrued leave. And there's a provision that prevents you from touching much of the money that has to be paid into the retirement fund. The synergism of this small print forces you to reduce the armed forces by almost a third to meet a 10 percent spending reduction. Ridiculous?

The straitjacket approach means that cuts have to be made even when they are plain bad management—even if they are patently ridiculous. You can see that in the weapons area, where Gramm/Rudman mandates that you shave equal amounts off every weapon system—not 20 percent off a low-priority program and none off a higher priority program.

For example, let's say that Weapon A has been in production for several years and Weapon B is due to start production this year. The logical decision in a resource cutback is generally to take the entire cut out of Weapon B—by simply not starting production this year—and leave Weapon A untouched. But the Gramm/Rudman language forces you to produce both weapons and, probably, to produce both at uneconomic rates. You could well end up cutting the budgets for Weapon A and B by 10 percent, but cutting the numbers produced by 20 percent.

Take the example of the E-6A TACAMO aircraft. There are two of them in this year's budget for $402 million. But because of all the overhead costs, one aircraft would cost only about $40 million less than two. Thus, a cut of 10 percent in funding would cut production by 50 percent.

Another example is the infamous DIVAD air defense weapon, which was recently killed by the Pentagon as a flop. Under the Gramm/Rudman formula, an across-the-board cut of 10 percent would mean the Pentagon would only get credit for 10 percent of the savings from killing DIVAD. In other words, there would be no incentive to kill it. We couldn't even use the drastic budget-cutting formula of Gramm/Rudman to get rid of dogs like DIVAD.

Look at construction projects. The legislation says the president must make equal cuts out of each program listed in Appropriations Committee reports. Each construction project is listed in those reports. If we have funded 100 dams and must cut 10 percent, we can't just build 90 dams, we have to build 90 percent of each of the 100 dams. For military construction, we list individual buildings. Gramm/Rudman forbids that any project be killed. This presumably means that we will have to eliminate pieces of buildings—skip the top floor, don't put in air-conditioning, cut the number of restrooms. It's anyone's guess how it will be done. One possibility that worries me is that cheaper materials will be used so that the structures will simply deteriorate more quickly and we will face huge maintenance bills in the out-years.

Another anomaly is in shipbuilding. If Gramm/Rudman were to be triggered in fiscal year 1986, the *minimum* amount of spending that would have to be cut from each program would come to 2.6 percent. But to stop that amount of *spending* in the shipbuilding account—where appropriated funds spend out slowly—would require the president to sequester 51 percent of the new budget authority for each ship program. This is budget arcana that is difficult to understand even if you are born with a green eyeshade. But the effect is easy to comprehend. Many FY '86 programs provide for only one ship. If you cut budget authority in a one-ship program by 51 percent, you can't build that ship. Applying that to the 26-ship plan in the 1986 budget, you would only be able to build 12 ships—at most.

One of the strangest impacts of Gramm/Rudman would fall on the M-1 Tank. The legislative formula, run through all its permutations, would require that at least 112 percent of the 1986 funds authorized for the tank be sequestered if Gramm/Rudman were to kick in. That is admittedly an extreme case. As near as can be calculated, out of the few thousand line items in the defense budget, at least 53 would require the sequestration of more than 100 percent of the 1986 funds appropriated.

In outlining how Emperor Gramm/Rudman has no clothes, I have tried to be as precise as possible. There are many ways in which this legislation might be even more damaging than I have outlined, but the vagueness of the language prevents an analysis of the impact. Even the sponsors of some of the provisions are often unclear. One amendment to Gramm/Rudman that passed the Senate had Lawton Chiles of Florida declaring to the Senate three times, "There is no mechanism that would allow the president to cut Medicaid or AFDC [Aid to Families with Dependent Children]." Only minutes later, fellow sponsor Pete Domenici of New Mexico told the Senate, "They [Medicaid and AFDC] may be sequestered." There is an imprecision here that looks all too much like we are spinning a wheel of misfortune on some television game show.

The litany of ridiculous effects that I have outlined begs a question: Why is no one speaking up for defense? And in particular, what about you? In the Nixon administration, you were called Cap the Knife. Later in the Pentagon, it was Cap the Ladle. If Gramm/Rudman goes into effect with your aquiesence, it will be Cap the Meat Ax.

Today I want to talk briefly about an issue that I think is of significant concern to all of us. That is the opportunity that we will have, I hope, in Geneva in the next several weeks. The President will be meeting with Mr. Gorbachev to discuss a variety of issues. Many of us in this House have worked over the last several years to put the President, by supporting his modernization programs, in a position to reach an agreement with the Soviets. It is very clear, in my judgment, that the Soviets are interested in getting an arms control agreement. I think a lot of that derives from the President's proposal for the strategic defense initiative. I think that that has provided powerful leverage that has convinced the Soviets that it is now time to go back to the bargaining table and to try and reach an agreement with the administration.

I happen to believe that this is an historic opportunity, but one that will not last forever. So I am hopeful that

as the President now prepares his counterproposal, which I think is a very positive indication, that he will come to grips with the reality of what it will take to get an agreement with the Soviet Union.

For the first time in history, the Soviets have actually made a proposal, a counterproposal, which calls for a 50-percent reduction in offensive weapons. They have not in the past made those kinds of proposals.

But it is clear that they feel that their national interests must be served in this negotiating process, and they are asking something of us as we have asked of them, and that is that there not be further erosion of the ABM agreement.

Just yesterday, Leslie Gelb, a distinguished reporter from the New York Times, in a very lengthy article, described the fact that the Soviets for the first time have, in a sense, admitted that the Krasnoyarsk radar is an illegal radar, and have suggested a trade off with several radars, one in Greenland and one in England as a possible way of dealing with this very serious compliance question that has bothered all of us. I think that is a demonstration of flexibility on their part. Clearly they want to see the United States continue to adhere to the ABM agreement.

Many of us in this House and this Congress have been deeply concerned about the reinterpretation of the ABM agreement coming just 1 month before the summit. But we are pleased that Mr. Shultz has announced that the administration will adhere to a restrictive interpretation for the foreseeable future. I find that not totally satisfying. I think that the proper way to deal with this issue, if we were concerned about this gray area, is to go to the Standing Consultative Commission in Geneva, and in a confidential way probe with the Soviets and see if we could come up with a coherent and agreed viewpont of what the treaty really does mean in this particular area.

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On the basis of what the negotiators have said, including Mr. Girard Smith, and Mr. John Rhinelander, and the 13-year interpretation, it is clear in my own view that the restrictive interpretation is the correct interpretation.

I am deeply disturbed that we find ourselves in the rather ludicrous position of the United States abiding by a restrictive interpretation while we say the Soviets could legally go forward on a more expansive interpretation.

So I still hope that that issue will be presented at the SCC, and we work this out.

Now some have suggested that this is really a way of trying to leverage the negotiations. On the one hand, the Soviets for a while were saying there should be no research at all; and on the other hand we were saying that we would adhere to the ABM agreement, which does limit research on these mobile systems.

I think the SCC is the place to work this out. I just hope that the President's great hope and dream of a strategic defense initiative, will not mean that he will not understand that the Soviets are going to want to see adherence to the ABM agreement. I think that if there is a commitment on our part to adhere to ABM into the future, that we can get the deep reduction which were the initial arms control objective of this administration.

I hope we do not miss a historic opportunity to lower the number of nuclear weapons on both sides by stonewalling in Geneva on this question.

The President has a reputation as a shrewd negotiator, as a great poker player. I hope that what we are witnessing is the buildup to that kind of a shrewd deal, because I believe if we miss this opportunity, then we are going to see the Soviets resort to old tactics of building up their offenses to make certain that they can counter any defense that we deploy in the future. A lot of people whom I respect have very serious questions about the technical feasibility of a complete shield over the United States. But it will be much more likely that SDI could prove feasible if there were deep reductions in offensive nuclear forces.

I am hopeful, as someone who has tried to support the modernization program and has supported SDI research, that we do not miss this historic chance for an arms control agreement that our allies want, that the American people want, and the people of the world deserve.

I yield to my friend, the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. I appreciate the gentleman yielding, and I compliment him for the statement he has just made.

I do not think the gentleman from Washington [Mr. DICKS] needs to take a back seat to anyone in terms of supporting, where he feels it is wise, the administration's modernization program. In fact, the gentleman and I have been at odds with each other on a number of those questions, when he felt, in his own judgment, that the administration was right on certain modernization questions.

Mr. Chairman, the statement the gentleman is making now is an extremely good one. This President, adamant as he has been against every arms control treaty that the United States has entered into with the Soviet Union, has a unique opportunity.

He can either use history as his constituency, and strike a bargain that can result in the deep cuts in offensive weapons that he set out originally to seek at the negotiating table, or on the other hand he can proceed, in what I believe to be a fantasy, that will not be played out with the final verdict being rendered for 10 years or 15 years or more; and let that fantasy allow him to drop the opportunity.

Mr. DICKS. Reclaiming my time, I think the gentleman and I would both agree: First, that the research should go forward, absolutely; and the Russians are wrong when they say no research.

Mr. AUCOIN. I agree with the gentleman.

Mr. DICKS. Second, the Soviet proposal has some warts in it; they threw in the British and French missiles, intermediate range missiles, things of that nature which they have always fallen off of in the past. So we have got to go back with a counterproposal in order to try to engage them and get that agreement.

But adherence to the ABM agreement seems to me to be fundamental to whether we are going to get those deep reductions. It seems to me that that is consistent with the President's objective. If defense proves feasible 10 to 15 years down the road, we can reconsider but let us not make that judgment now.

What I hear so many people saying is, "Let's deploy now. Let's deploy something now. Let's get something in the field now." I would rather do the research and then find out whether this thing is going to work or not.

Mr. AUCOIN. If the gentleman will yield further, in the meantime use the restraint at the bargaining table to get and obtain any treaty, the deep cuts in offensive weapons that the gentleman wants and the President has said since his inauguration that he seeks.

Mr. DICKS. If we do want to go ahead with SDI at some point in the future, some limited defense in the future, it will work better in the context of vastly reduced offensive forces.

General Abramson has said it: "We've got to maintain the arms control structure if SDI is going to work."

The CHAIRMAN pro tempore (Mr. DORGAN of North Dakota). The time of the gentleman has expired.

Mr. CHAPPELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. It seems to me, Mr. Chairman, that maintaining the basic arms control structure and not letting it get swept away is the way to ensure that defense is an option in the future.

If not, if we miss this historic opportunity and resort to a classic arms race, then the Soviets are going to build up their offensive forces, build up potential countermeasures that will make defense much harder to transition in at some point in the future.

Mr. AUCOIN. Will the gentleman yield on that point?

Mr. DICKS. Yes, I yield.

Mr. AuCOIN. I think what the gentleman is saying is extremely important. I hope that the administration pays some heed to it. I know that there are voices within the administration who agree with the gentleman. Unfortunately, there are also voices within the administration that disagree, and that is one of the things that causes me some concern and I know it does other Members of Congress who are concerned about seeking an arms control treaty in a climate in which we can have real security, that division that seems to be within the ranks of the administration on the question the gentleman has raised.

What he is saying is that in the absence of deep cuts in offensive forces guaranteed by a verifiable treaty, the idea of defense becomes absolutely preposterous because it is cheaper to invest in offensive systems to overwhelm that defense, than it is to construct and deploy the defense.

I think the gentleman from Washington [Mr. DICKS] has made an extremely important point.

Mr. DICKS. Reclaiming my time, Mr. Chairman, I want to end on this note: Every one of us wishes the President well. Every one of us realizes that the Soviets are very difficult to negotiate with, but this President has an oppportunity that no other President during this century has had to strike a bargain that could do more for world peace than any other achievement that I can think of.

This summit will either be the start of that process toward that agreement or it could be one of the great missed opportunities. I hope and pray that it is not the latter.

Our colleagues in the other body, Senators NUNN and COHEN, summed up the situation well in a column published in the Washington Post yesterday entitled, Arms Race, Breakthrough or Breakdown?" It stated:

Mikhail Gorbachev has announced his solution to the arms race; a mutual 50 percent reduction in offensive strategic weapons in return for an end to the Strategic Defense Initiative program. This 50 percent solution, designed to sound eminently reasonable to a variety of audiences, contains the potential for both breakthrough and breakdown.

The flaws contained in the proposal are apparent. The effects are heavily weighted in the Soviet Union's favor. It should be noted, however, that it is not unprecedented to find a party to a negotiation placing a heavy hand on its side of the scales. It is important to bear in mind that we are witnessing the dance of diplomacy, not the pouring of concrete. This is the beginning of the process and not the end product.

We believe President Reagan should respond to Gorbachev's proposal with something that is positive, strategically sound and politically sustainable. This last requirement should not be underestimated, for the Soviets have at least three major objectives in mind: 1) to stop "Star Wars" research; 2) to divide the NATO alliance, and 3) to undermine future congressional and public support for the president's strategic modernization and defense programs. It is unlikely that the Soviets can achieve their first goal, but if they can paint Reagan as being inflexible and uncompromising, then they may be able to win in Western Europe and indirectly in Congress what they could not achieve in Geneva.

Reports abound that guerrilla warfare is being waged within the administration between those who see no benefit in dealing with the Soviets except on our terms and those who see advantage in reaching a compromise. This battle should not be fought or concluded without a wary eye being cast on Capitol Hill. Congressional support for strategic modernization and defense programs has been predicated upon good-faith efforts to achieve dramatic reductions in offensive nuclear weapons. It would be a mistake, therefore, to focus only on the negative aspects of the Soviet proposal without attempting through serious negotiations to set the scales back in balance.

A sober analysis of the Soviet proposal should reveal that there are grounds for progress beyond the obvious one-sided advantages. The Soviets have dropped their unacceptable preconditions for discussing offensive reductions, and for the first time have proposed a specific numerical ceiling on nuclear warheads, a longtime U.S. objective. Moreover, there proposal would require substantial (though still insufficient) reductions in their destabilizing force of MIRVed ICBMs.

But other elements of the proposal are clearly unacceptable and prejudicial to Western security interests, such as the exemption from the proposal of all Soviet systems targeted on Europe. It remains now for the president to applaud the positive principles and seek to convert the negative components and tactics into an equitable agreement.

To accomplish this, the president must invite the Soviets to join him in searching for a mutually acceptable formula for achieving stability. For example, he should refocus attention upon a critical element underplayed in the Soviet proposal: the need for strong incentives to reduce the number of land-based, MIRVed missiles well below the levels permitted under the Soviet proposal. It is the high ratio of these vulnerable, counterforce weapons to their assigned targets that causes a tightening of the finger on the nuclear trigger. Both countries seem to be moving dangerously close to a launch-on-warning strategy—the firing of the most accurate, destructive and vulnerable weapons upon the first warning that they are about to be attacked.

There are a number of ways to move toward greater stability. One approach, which we called the build-down, was adopted by the president in 1983 with broad congressional backing. Among its elements:

An immediate cap on the number of nuclear warheads;

Reductions in warheads through a requirement that deployment of new nuclear warheads be accompanied by elimination of a greater number of existing warheads;

A similar reduction in bombers;

Formulas aimed at channeling modernization in stabilizing directions such as mobility and single-warhead missiles;

Negotiation of trade-offs between bomber payload and missile throw-weight.

Unfortunately, this proposal fell victim to insufficient development by the administration in discussions with the Soviets and to the Soviet walkout from Geneva in 1983. But subsequent events, including informal Soviet commentary and the present Gorbachev proposal, indicate a compatibility with key principles of the 1983 proposal, although there are differences over the specific formulations.

A key new ingredient, however, has been added since the 1983 Geneva talks: stategic defensive weapon systems. The administration argues that SDI was a major reason for the Soviet decision to return to the negotiating table. Yet in his recent press conference, the president appeared to rule out the possibility of negotiating any restrictions on the development and testing of "Star Wars" until we know whether these weapons are feasible—in short, several years from now. This position, if true, makes any progress in Geneva very unlikely. And a stalemate in Geneva would offer the Soviets a means of furthering their objectives in undermining domestic and Allied support for needed modernization programs.

The United States can propel the negotiations forward by adopting an approach that addresses SDI and is consistent with our objectives programs.

While maintaining a reasonably funded research program, we should discuss with the Soviets what constitutes allowable development and testing under the provisions of the ABM Treaty. In the two years since the president's original "Star Wars" speech, the Soviets have come up with interpretations of key treaty limits that are far more restrictive than what we agreed to in 1972. Over the same period, the administration has been forumulating increasingly permissive interpretations of the relevant treaty provisions to allow as much of the SDI to go forward as possible. A reasonable middle ground would be for both sides to agree to live with the restrictions on development and testing that were mutually accepted at the time the treaty was signed. This is, after all, the legal obligation of both parties.

We should inform the Soviets that we are prepared to reexamine the scope and pace of a possible transition to increased reliance on strategic defenses if they are prepared to do three things: agree to meaningful and stabilizing reductions in strategic and intermediate-range nuclear forces, satisfy U.S. concerns regarding current violations of existing strategic arms control agreements (including the construction of the radar at Krasnoyarsk), and work with us in identifying realistic and verifiable breakpoints between research and development beyond which their SDI and ours would not be allowed to progress.

It is not necessary for the president to reach an accord with Gorbachev to preserve congressional support for his programs. But a Reagan "nyet" is not enough. If a budget-conscious Congress perceives that opportunities for an accord were deliberately ignored or sabotaged, then it is unlikely to retain enthusiasm for those programs high on the president's agenda. Good faith could become a line item—one the president has the power to veto.

Mr. AuCOIN. Will the gentleman yield?

Mr. DICKS. Yes, I yield.

Mr. AuCOIN. I appreciate the gentleman's statement. I think it is a sincere one; it is extremely well thought out. I would agree with the gentleman.

President Reagan has no other election that he will stand for. His judge from this point forward is going to be

history. He has an opportunity, and I join the gentleman in his statement.

Mr. McDADE. Mr. Chairman, I am pleased to yield such time as he may consume to the distinguished gentleman from Florida [Mr. YOUNG], a member of the subcommittee.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding me the time. Before I begin, I want to say that we missed the chairman of our subcommittee, Mr. ADDABBO, during the drafting of our bill and hope he is back with us soon. I want to complement my friend and colleague from Pennsylvania [Mr. MCDADE], the ranking Republican on this subcommittee. He has done a very effective job in helping to fashion a bill that I think is acceptable to a vast majority of this Congress as well as to the people of the United States.

I further want to compliment my colleague from Florida [Mr. CHAPPELL]. It is a pleasure to work with BILL CHAPPELL, and as the acting chairman of this committee he has done an extremely fine job, and it goes without saying that I am very proud that a colleague from Florida would have that opportunity.

Mr. Chairman, we have brought to the floor today a defense bill that is very unusual; it is less than it was last year. You have heard some of the figures, but this bill is actually 3.64 percent less than the fiscal year 1985 appropriations bill for national defense, and that is somewhat historic.

This committee has a right to be proud of being able to do that when the fact is considered that we did it without severely or adversely affecting any of our defense systems.

We could do it because of pressure and influence from the administration; from the members of this subcommittee; and from the members of the Committee on Armed Services who are determined to eliminate cost overruns from our process. We are determined to get as much as we possibly can for the American people for their tax dollar.

We did it by bringing about savings such as in the F-18 program where we are going to get the same amount of F-18's this year as we had originally planned; 84 new airplanes, but we are going to get those 84 new airplanes for $340 million less than the price that we expected to pay for those same airplanes just a few years ago.

We are buying four attack submarines this year; we are going to get those attack submarines for a little over $42 million less per submarine than we had initially expected to pay for them.

There are many other examples of savings because of multiyear procurement practices and because of very close negotiation with contractors. We have been able to bring this bill in to provide a strong defense at less money than last year.

The bill continues to reflect the mood of the American people who support a strong national defense. We have carefully reviewed the Department of Defense's requests, line by line, and I believe we have been successful in providing the strongest national security possible at the lowest cost to the American taxpayers.

We have trimmed the fat out of 329 research and development programs, at a savings of $5.2 billion, and we have made reductions in 357 procurement programs at a savings of $13.4 billion. In all, the bill is $27.6 million below the President's request and $1.5 billion less than amount provided in last year's bill.

We have examined thousands of defense programs in preparing this bill—many of which little is written but provide an important element for our national defense. For instance, our bill provides funding for development of very high speed integrated circuits, a fascinating program that makes a quantum leap in the speed and accuracy of our data processing capability to enhance the performance and reliability of many weapons systems.

The bill provides funding for over the horizon radars, which provide us with a far greater ability to detect enemy intrusion into our air space. The Soviets have had a similar system for many years.

We have provided for the improved training of our air crews with the tactical aircrew combat training system and the air combat maneuvering instrumentation ranges. These systems are so effective that we hope to increase their use by the National Guard and Reserve.

The Army tactical missile system is a new system which provides us with deep strike conventional capability in Europe. This is a key to preventing nuclear confrontation there.

The Askeet, Eram, and Sadarm systems of "smart munitions" allow us to multiply our forces more effectively.

We have developed a propeller, fixed-wing aircraft that can take off vertically.

This is not to say that the bill does not have some deficiencies. Among the programs not funded, but I believe are important to our future defense posture, is the "Amraam" air-to-air missile system. The Soviets are in the process of developing a similar system, and will take the lead in its production without our continued research in the field.

We need the "J-stars," system to give our troops in the battlefield better intelligence, but the bill cuts funding for this program from $240 million to $60 million.

We need an effective Asat antisatellite weapon, to counter the Soviets, who have developed the worlds only operational Asat system.

As for the strategic defense initiative, I'm pleased that the bill provides funding for this new system which as conceived, would be the ultimate deterrent to nuclear attack against our Nation. Some people say we should fund SDI research and development at $1.7 billion this year, some say $1.9 billion, and others say $2.1 billion. Our committee devoted much time and study to this program, reviewing the SDI office's five program elements and 73 tasks. The committee decided to fund SDI at $2.5 billion in fiscal year 1986. If you look at the hearing record, you will see that many of us wanted a higher figure. We have been assured by General Abrahamson, however, that this funding level will allow the office to pursue its second year of work on the program. Any level below $2.5 billion would have resulted in a curtailment of last year's work, which I might note has been highly successful.

The programs I have discussed here are an indication of our Nation's great military strength. The American people can be proud of our national defense forces, which are an instrument of freedom throughout the world.

The American people can also be proud that our Nation's military power has never been abused. We have never been a threat to the freedom of any other nation.

We have never used our powerful military strength to eliminate the national identities as the Soviets have done in the Ukraine and the Baltic States of Estonia, Latvia, and Lithuania.

We have never used our military power to oppress the rights of people as the Soviets have done in Hungary, Poland, and Czechoslovakia.

We have never use other nations as surrogate hoodlums to roam the world and terrorize innocent people as the Soviets have done with Cuba and Vietnam in Angola and South East Asia.

And we have never invaded another nation and undertaken a policy of near genocide as the Soviets have done and is still doing in Afghanistan. A nation of farmers and tribesmen whose only crime is that their country is strategically located between the Soviet Union and the rich oil fields of the Middle East.

Let me remind you that at the end of World War II, we were the only Nation with a nuclear capability. Yet, if you look at a map of the world today, it is the Soviets who have overtaken nations on almost every contient. I ask you—what would the map of the world look like today if it had been the Soviet Union who had the only nuclear capability at the end of World War II?

In closing, I cannot compliment enough the Members of the Defense Appropriations Committee and especially the gentleman from Pennsylvania [Mr. McDADE] and the gentleman from Florida [Mr. CHAPPELL], who managed the markup sessions of this committee and the truly effective and capable staff that we have had working with us as we go through these million of items that the Defense Department buys every year.

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Mr. CHAPPELL. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to applaud the Appropriations Committee for the fine work they have done on the bill that we are considering today. It contains several very important provisions which more accurately reflect the will of the House as it was expressed in votes on the Defense authorization bill in June.

Lowering the Defense budget $10 billion below that agreed to by the conference committee is certainly a move in the right direction. That makes it equal to the $292.6 billion passed by the full House. I am pleased that funds for chemical weapons production were deleted for fiscal year 1986. And, on a subject close to my heart, I am grateful and proud that the full committee agreed to include the package of military procurement reforms which passed resoundingly in the House, only to be severely compromised in the authorization conference. Three of those bills, the first defining allowable costs, the second mandating multiple sourcing on weapons contracts, and the third closing the revolving door, are simply the same language passed by the House and contained in the authorization bill. The fourth is my should-cost amendment. It differs from the original House passed version in that it specifies that contractors for current weapons record their proposed and ongoing costs. This was the original intent of the amendment which passed as part of the authorization bill, but due to language in the conference report, it appeared as if current contracts would not be covered. This should-cost language is essential if we in Congress, or procurement officials in the Department of Defense, are to have ready access to information about where and why the alarming cost increases in our weapons programs are occurring.

I would like to thank my colleagues, the gentleman from Oregon [Mr. AUCOIN] and the gentleman from Washington [Mr. DICKS] for successfully sponsoring those amendments in the committee. I know that the committee members will work to protect the amendments in conference committee negotiations with the Senate because they show our real commitment to procurement reform. They also demonstrate that we are willing to stand up to those who would rip off the public in the name of patriotism. We have faith that the compromise legislation that emerges will be substantially tougher than that produced by authorization conference because the people we represent expect nothing less.

We must send a clear message to those who take advantage of the taxpayer, that this Congress is serious about instituting reforms to restrain runaway costs, and to ensure that the weapons we buy are necessary and reliable.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Ohio [Mr. MILLER] a member of our subcommittee.

Mr. MILLER of Ohio. I thank the gentleman from Pennsylvania for yielding.

Mr. Chairman, although I am not a new member of the Appropriations Committee, this is the first year I have served on the Defense Subcommittee, and I want to take this opportunity to say what a pleasure it has been to work with all the members of this subcommittee. I have been impressed by the diligence and expertise of each of the members. Furthermore, although many different political opinions are represented on this subcommittee, the work on this bill was accomplished in a cooperative spirit.

I enjoyed serving under our chairman, JOE ADDABBO, during the earlier part of the year. And along with other members of the subcommittee, I want to commend BILL CHAPPELL for the excellent job he did in stepping in to chair the subcommittee and full committee markups when our colleague from New York became ill. I want to thank both JOE and BILL for the courtesy and fairness they showed in chairing our subcommittee. Our colleague, JOE MCDADE, who this year became ranking minority member of our subcommittee, has made significant contributions to this bill, and I want to thank him also for his kindness and cooperation in working with the other members.

Last, I want to thank our subcommittee staff for all their assistance. The staffers on this subcommittee are outstanding. They are hardworking, dedicated, very helpful, and exceptionally competent. We are fortunate in having this group of people to assist us on this complicated bill.

The bill that we bring before you today is a good bill. Undoubtedly, there are things that each of us would change in this package. But overall this bill strikes a good balance between the need to maintain a strong national defense and the need to reduce expenditures in the face of our serious budgetary difficulties. At $276.3 billion, this bill is $27.6 billion below the administration's request. It is $853 million below our 302(b) allocation for new budget authority. And it is $1.5 billion below the fiscal year 1985 level.

My colleagues will recall that the administration requested 6 percent real growth for defense, but the bill we are bringing you today maintains a freeze level. Clearly, the defense bill has not been exempted from our deficit-reducing cuts, and that reduction effort has my support. I feel that, given our current budget constraints, it was necessary to reduce spending for defense, just as we have found it necessary to reduce other areas of Government spending. But I do want to mention that I think there are some misconceptions about defense spending, and I want to address these briefly.

A major misconception is that never in our history have we spent such a large proportion of the Federal budget on defense, and that it is defense spending that has caused our current budget difficulties. In fact, during the last 6 years (1980–85) defense spending has averaged 25.2 percent of Federal outlays. By contrast, defense spending accounted for more than 59 percent of Federal spending throughout the 1950's, and averaged 46.4 percent in the 1960's. It declined during the 1970's, averaging 27.5 percent for the decade and reaching a low of 22.7 percent in 1980.

A similar curve appears when we examine defense spending as a percentage of GNP. During the last 6 years, defense spending has averaged 6.1 percent of GNP. This compares with a 10.9 percent average for the 1950's, and 9.1 percent in the 1960's, defense spending declined to an average of 5.8 percent of GNP during the 1970's.

Therefore, clearly the current levels of defense spending are by no means a historic high in terms of the percentage of our Federal budget and the percentage of our gross national product being devoted to defense.

It is also worth noting that the 1970's—the decade in which we were showing such restraint in defense spending—witnessed a massive military buildup on the part of the Soviet Union, a buildup far in excess of that nation's defensive requirements. I am reminded of Prime Minister Margaret Thatcher's address to a joint session of Congress earlier this year. Mrs. Thatcher said:

> We shall have to resist the muddled arguments of those who have been induced to believe that Russia's intentions are benign and that ours are suspect, or who would have us simply give up our defenses in the hope that where we led others would follow.

Mrs. Thatcher's remarks are pertinent because we have learned from experience that the Soviets certainly did not follow our lead in the 1970's, but instead embarked on a major and destabilizing program of military growth and modernization.

Elsewhere in her address Mrs. Thatcher said:

> Our task is to see that potential aggressors from whatever quarter understand plainly that the capacity and the resolve of the West would deny them victory in war, and that the price they would pay would be intolerable. That is the basis of deterrence.

This highlights another misconception about defense spending—namely, the view that defense spending is a luxury, rather than a necessity, and that—unlike other Federal spending programs—it does not help people. The fact of the matter is, we are required to spend money on defense because there are external threats to this Nation and to the free world. None of us likes having to spend such large sums on defense, but these expenditures are necessary to preserve our freedom and to deter aggression which leads to war. And preserving peace and freedom certainly helps people. In fact, each and every American benefits from our national defense, which enables them to live in a nation which provides more freedom, greater prosperity, and greater opportunity to a greater number of people than any nation in the history of the world. If we want to compare national defense to other Federal programs, we would have to say that it is the one program which benefits each and every American equally.

Others have already given details about the contents of our bill, and I will not duplicate the information already provided. but I do want to mention one item in particular, and that is the B1-B strategic bomber.

Many of you will remember that the issue of a new strategic bomber was the subject of heated debate and close votes on the floor of this House over a period of many years. The bill before us today contains $4,861,800,000 for 48 B1-B bombers. These 48 aircraft will complete the planned purchase of 100 of these planes. The bill also provides $162,200,000 for initial spares and repair parts. The $4.9 billion figure is $600 million below the administration request, but this reduction is partially offset by $300 million in transfers from prior years, and is not expected to have an adverse impact on B1-B procurement.

I consistently supported the building of the B1-B bomber. In view of the controversy that surrounded this program here in Congress, I think that it is worth noting that the B1-B program has been an outstanding success. The first operational B1-B bomber was delivered to the Strategic Air Command in June of this year. Production has been ahead of schedule and under budget, and the aircraft is performing up to expectations. It is too early to know what the bottom line will be on total program cost, but indications are that when the final bills are paid, the total B1-B program cost for 100 aircraft will not exceed the $20.5 billion in constant fiscal year 1981 dollars which the President certified in 1982.

The B1-B is half the size of our old B-52's and can fly twice as fast. It can perform the multirole missions of a conventional bomber, a cruise missile launch platform, and a nuclear weapons delivery system. It represents a necessary and important modernization of the air leg of our strategic triad. The B1-B program has been well-administered; the plane has been well-constructed; and the Nation will be more secure when we have this aircraft in our defense arsenal. In short, there are defense success stories as well as horror stories, and I think that recently we may have been concentrating on the latter without paying sufficient attention to the former.

In conclusion, I would urge my colleagues to support this bill. It fulfills our responsibility as Members of Congress to provide for the common defense, and it does so in a fiscally responsible manner.

Mr. CHAPPELL. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. I thank the gentleman for yielding time to me.

If the gentleman would engage in a colloquy regarding the Trident, I would appreciate it, Mr. Chairman.

Mr. Chairman, it is my understanding that the Navy this month offered to supply Trident submarine blueprints and technical papers to Newsport News Shipbuilding & Drydock Co. in order that the company may consider submitting bids for Trident construction in the future. While I have no problems with competition in general, I am concerned that in the Trident program, which is a very mature program, we might have to expend a great deal of money to entice another competitor into the business at this late date. In any case, Mr. Chairman, I have been informed that there are no funds in this bill earmarked for direct payment to gear up Newport News to enter Trident competition. Is that correct? I yield to the gentleman for an answer.

Mr. CHAPPELL. Yes, the gentleman is correct.

Mr. GEJDENSON. May I request, Mr. Chairman, that Congress be informed in a timely fashion should the Navy choose to use any nonearmarked funds in this bill for the purpose of gearing up Newport News to enter Trident competition?

Mr. CHAPPELL. Mr. Chairman, if the gentleman would continue to yield, that is entirely appropriate, and we shall endeavor to do so.

Mr. GEJDENSON. Mr. Chairman, I thank the chairman of the subcommittee.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to my distinguished colleague, the gentleman from Louisiana [Mr. LIVINGSTON].

I appreciate the gentleman yielding. Mr. Chairman, I would like to take this opportunity to echo the remarks of my colleagues in commending the work of all the members of the subcommittee on this bill, and particularly the efforts of acting chairman CHAPPELL who have most ably filled in in the absence of our beloved chairman, JOE ADDABBO. BILL CHAPPELL has performed extraordinarily under most adverse circumstances, and he has been fair to all members of the committee throughout the consideration of this bill.

I also want to commend our Republican leader, JOE MCDADE, for an outstanding job of craftsmanship. Through his hard work and strong efforts, we now have a bill which I firmly believe the entire House of Representatives can support.

I also want to pay particular tribute to all of the professional staff, without whose expertise in their various fields we simply could not have brought this bill as far as it has come. With their superlative work, each of us as Members have been able to keep on top of the extremely complex issues wrought throughout the bill.

Mr. Chairman, this is a good bill. It keeps most of the vital defense programs of the United States intact, while it also keeps a lid on the levels of defense spending for fiscal year 1986 substantially at the same level of fiscal year 1985. While we have not reached the levels requested by President Reagan, we have made some tough decisions in keeping with the eonomic situation of this country, and like all tough decisions, not all of them have been favorable to any single member of the committee or of this House. It is indeed a compromise bill, and I think it is one that we as a body can ably and with good feeling support.

That is not to say that I don't have concerns about the bill. In fact I do. The overall levels of the bill fall approximately $10 billion below the 1986 defense authorization bill, which was passed just yesterday.

It includes military contracting restrictions which I feel go beyond the bounds of reason and good sense, particularly in view of the fact that the Packard Commission, which is intrusted with the responsibility of reviewing defense procurement procedures, will not submit it's report to Congress for almost a year from now. Furthermore, many suggestions for reform are cur-

rently pending before the House and Senate authorization committees, and it should not be the province of the Appropriations Committee to prejudge what measures they might choose to take in this area.

Of major concern to me is the fact that this bill contains language restricting the testing of anti-satellite weapons, notwithstanding the pending negotiations between President Reagan and Premier Gorbachev at Geneva. We've only recently completed our first successful test of such weapons, and we have other tests pending in coming months.

In contrast, the Soviets have actually deployed a system of some sort years ahead of us, their last test of that system having occured back in 1983. It seems the height of illogic to arbitrarily bind our hands and stop the testing of such a system even before we meet the Soviets at Geneva.

Of equal concern is a proposal in the report of this bill which seeks to authorize an inexpensive—$700,000—oversight feasibility study of the strategic defense initiative, which in and of itself is a far more extensive and expensive research program on the feasibility of a nuclear defense system. In effect this constitutes a study of a study which is both superfluous and unnecessary. It creates the additional risk that very sensitive and classified material might be leaked both arbitrarily and prematurely, and it would appear to be both simply and dangerously a bad idea.

Another cause for concern about this bill is the fact that only yesterday, I attempted to get permission from the Rules Committee of the House to engage in a substantial change in the bill finally reported out of the full Appropriations Committee. In a very partisan vote, the Rules Committee denied me the right to consolidate the issues dealing with binary chemical weapons, and refused me the opportunity to conform the language of my proposed amendment to the bill to that appearing in the defense authorization conference report passed by the House just yesterday. Thus we were wholly unable to effectively debate this issue on the floor of the House, and in effect, likewise denied the opportunity to amend the bill in proper fashion to include a system which I deem absolutely vital to the security of U.S. Forces around the world.

Mr. Chairman, even though we were procedurally blocked from effectively submitting our case on this subject, this is a very important amendment which I hope will be adopted by the House and Senate conference on this bill. We haven't funded the deployment of any chemical weapons since 1969. While the issue has been quite controversial over the last few years, so far we have not succeeded, at least not until the House voted favorably on the issue this very year when it considered the defense authorization bill.

I believe that it would be a very big mistake not to fund that authorization now that we have decided to go forward with the program. As I mentioned before, President Reagan is going to Geneva, and chemical weapons should be on the table for those negotiations.

If we have authorized and appropriated adequate supplies of a modern chemical weapons force, the President will have something in his arsenal to negotiate with. Lacking an appropriation for these weapons, he's playing with an empty hand, and the Soviets will hardly be inclined to benevolently give up their own use of chemical weapons without an incentive from our side.

The facts are that Ken Adelman, our chief arms negotiator, David Abshire, our NATO Ambassador, all of the Joint Chiefs, and General Rogers, our Supreme Allied Commander in Europe all say that we need a chemical weapon arsenal. Even Mikhail Gorbachev said on October 3, 1985, that he thought it was possible to reach an agreement on this issue. But once again, he won't be so inclined if we arbitrarily and capriciously deny ourselves the use of these weapons.

We should not be in the business of omitting this issue from the Reagan agenda. Russia and 11 Third World countries have either selectively used such weapons throughout the world, or have the capacity to use them in the future. They will use them unless we have an adequate deterrent to keep them from that use.

It has been argued that we already have tremendous stocks of chemical weapons. That may be true, but they are nothing in comparison to the stockpiles acquired over the years by the Soviets. They have many times the amount of chemical weapons in storage than we have, and while it may be true that they're not producing in abundant quantities at this time, they have the chemical plants available to go back into production at any time.

It has been said that they no longer look to the use of chemical weapons as a first strike weapon in the next world war. That is probably true since they now rely on tactical nuclear weapons to take the place of less reliable chemical weapons for that purpose. But that doesn't mean that they won't use the weapons they have in theater warfare, and of course it has nothing to do with whether or not Third World nations will use such weapons when they see fit.

Opponents to a competent binary chemical warfare capability claimed that the Soviets haven't upgraded their system to utilize binary chemical weapons. Actually, the Soviets deemed them to be an unreliable and unnecessary expense because they couldn't make such weapons technologically viable back when they first started manufacturing them in great quantities.

The fact is that we now have that technology, and it enables us to make and store such weapons with a far greater degree of safety and much less expensively than we might have in years past. It currently costs us $63 million a year to store the existing stockpiles, which as I will relate shortly, are extremely unreliable and unusable. Adequate stockpiles of binary chemical weaponry produced under the proposal which passed our subcommittee would cost us only $9 million per year for a stockpile which would take up only one fifth of the space now required for the current unusable stockpile.

And in fact the current stockpile that we have is unusable. The National Academy of Sciences has said that 90 percent of what we have currently in storage is either unusable or of little military value. In essence, it has no deep strike capability, the absence of which makes such weapons unacceptable for modern day tactical deployment.

Most of the current weapons are on the short-range, persistent mix, category. This means that they must be detonated short distances from their point of embarkation, and that the lethal mixture becomes harmful not only to enemy troops, but to our own troops as well, for long periods of time.

One of our primary weapons for deep strike or long-range capacity, is available in old tanks which are only available for fitting on our F-4's or even older airplanes. The agent must be sprayed by low flying planes—500 feet or less—at relatively slow speeds. Hence, in today's modern technology, the utilization of such a weapon would become suicidal for the pilot.

We also have large numbers of land mines, totally unusable because of the first strike nature of the weapon—a tactic which we categorically renounce when it comes to chemical weapons—and because of the persistent mix nature of the agent which remains lethal long enough to infect and contaminate our own troops.

We have lots of 4.2-inch mortar shells, once again very short in range and armed with persistent mix agents. Such mortars will be phased out of our arsenal entirely by 1990, and thus once again will be totally unusable.

The 155 mm howitzer shells are almost useless, again because of their short range and their persistent mix agent. The 105 mm howitzer's are no longer deployed in Europe, so the shells for this weapon won't be of any use in the event of a conventional war on that continent.

Once again, the newest weapons we have are at least 16 years of age, and the oldest run as old as 40 years old. The average age is about 26 years of age.

Over 900 leaks have been found in various items in our stockpile. While opponents say that's less than 1 percent of the total amount, how would any Member here like to be the captain of the ship, or the commander of the company in whose charge it has become to take care of these stockpiles. Do you really want to be responsible for the loss of your men who are going to come in contact with those weapons? And how are you going to tell exactly which weapons are leaking?

Mr. Chairman, we should be in the business of replacing and destroying the current stockpiles, and furthermore, we should be in the business of providing that deterrent that keeps the Soviet Union or those 11 Third World countries from utilizing supplies at their disposal. The best way to do that is to adequately arm the President with the knowledge that he has something to give up at Geneva in the event that he can forge an agreement barring the use of such weapons. He won't have that capability if we don't adequately fund this program in accordance with the authorization incorporated in the conference report adopted yesterday.

Mr. Chairman, I have elaborated on the issue, because I feel strongly that the full committee was wrong in it's 26 to 24 vote deleting the provision from the subcommittee proposal. Once again, I hope that this error will be corrected in conference.

Finally, the last issue of concern to me about the bill that we submit to the House today, is the fact that it continues to restrict United States support for Nicaraguan freedom fighters far more than I feel is necessary. Nevertheless, the language does conform with the House intelligence authorization bill recently passed in the House, and for this reason I have not sought to add to the language incorporated in this bill.

I have set forth the objections that I have to the bill, so now I would like to talk about it's good points. Not withstanding the objections noted above, the bill does meet most of our critical defense needs, while continuing to address complaints of fraud, waste, and abuse at the Pentagon.

For example, we've approved the procurement of the last 48 of the 100 B-1 bombers requested by the administration. We've approved funding of the 12 new MX missiles keeping us on track with the agreement between the House and the Senate on the number that should be deployed.

We funded the continued development of the Trident II strategic missile system, the tilt rotor JVX aircraft, the ICBM modernization program, the advanced tactical fighter, and the advanced technology bomber. We funded the strategic defense initiative at a level of $2.5 billion, which while a big cut under the President's request of $3.7 billion, is only slightly under the level authorized by the authorization conference report—$2.7 billion.

We have funded vital intelligence programs, and we have provided considerable savings in the Navy shipbuilding programs, while keeping intact thousands of construction jobs at domestic shipyards.

Thirty-three new Navy ships will be built including 3 Aegis cruisers, 2 LSD, 41 landing ships, 1 LHD amphibious assault ship, 4 MSH coastal mine hunters, 2 fleet oilers, 2 Tagos surveillance ships, and 12 LCAC landing craft.

These will preserve thousands of critical jobs around the country as well as making sure that our shipbuilding capability in the Nation is ongoing.

Of particular note is the reactivation of the battleship *Wisconsin*, the fourth such ship to be reactivated at bargain prices, and funded entirely through prior year savings and transfers. The *Wisconsin* and it's support ships, I might add with some degree of pleasure, is to be homeported along various gulf coast ports.

Other savings come from the recommendations of alternative research programs, like the development of low-cost practice bombs for the Navy. These will permit Navy pilots 10 to 50 times the number of training drops that they currently have available to them for the same cost.

We're directing the Air Force and the Defense Nuclear Agency to study lower cost alternatives to ICBM silo hardening.

We're continuing the uphill fight to modernize our Reserve and National Guard forces with newer resources and equipment.

We've recognized the need for upgrading our capacity for any anti-submarine warfare by fully funding the nine PC-3 craft, four of which will replace the aging P-3A's and P-3B's in our Naval Reserve Squadrons.

And we've bent over backwards to meet concerns of individual Members. We've provided funding for the ground proximity warning system which will improve our services' aircraft safety, the over the horizon radar early warning system, the MK-60 copter mine program, the advanced mine development program, the Air Force Aerial Target Development Program, and the Mobile Subscriber Program [MSE].

Mr. Chairman, we have made some very hard decisions, but we have come up with a very responsible bill. I hope it will be made even better in conference, but I urge this body to support it.

With those brief remarks, Mr. Chairman, I yield back the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I would be remiss if I did not pay attention to my dear friend from Jacksonville, FL, who is heading up this legislation today. We share representation of Jacksonville, and although I am sorry it is because of the illness of Mr. ADDABBO, I am paying tribute to the gentleman and his fine leadership through the years and the way in which he is handling this matter today.

The principal purpose of my coming to the well is to speak in favor of the amendments that have to do with reform.

The measures which are before us are in their best arrangement, the way in which they passed the House of Representatives.

Some of them were kind of brutally treated in the conference. If we can get them in the House in the way they are in the bill now, we will do a good job for the strengthening of the processes of procurement for our country, and we will all be proud and happy about that.

It will take some resistance, because the other body will not be prepared for some of these amendments. So you in conference will have to do your very best, and I am sure that you will, in order to retain them.

One other thing I would like to make reference to, the language that directs the Navy to open for bid on a coastwide basis all of the ship repair and the so-called selected restricted availability, or SRA. That language, I think is a mistake in the report, and I hope that the record will show that at least many Members of Congress, do not favor that point of view.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California.

Mr. HUNTER. I appreciate the gentleman yielding.

Mr. Chairman, I think the last point the gentleman has made, which he brought up, is very, very important to the personnel, to the men and women in our services. As you know, right now we have people at a high op tempo in the Navy who are coming back from very long cruises in the Indian Ocean and other places, they are coming back, and, as I understand the report language, which is not law because if it had been put in the bill I think we would have been able to knock it out quite readily, but the report language tells the Navy to start competing even small work packages coastwide. That means that the young

sailor coming back from a cruise after 5 or 6 months not seeing his family may once again be separated from his family and have to sail up the coast 2,000 miles to comply and supply a job to a Member of Congress' district, which is going to once again separate him from his family.

The CHAIRMAN pro tempore. The time of the gentleman from Florida has expired.

Mr. CHAPPELL. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida [Mr. BENNETT].

Mr. HUNTER. Mr. Chairman, will the gentleman continue to yield?

Mr. BENNETT. I will yield later, but I would like to say, though, since the gentleman is a very good speaker and he might exhaust all of my time, I would like to summarize what the gentleman and I are saying and then would yield back to him, by saying that this language in the report, I think, is bad for Navy personnel, I think it is bad for business and it is a waste of money.

Mr. HUNTER. I thank the gentleman. I think it is bad for people in the service, and I think there is a good chance it is going to motivate that guy who looks on the outside and sees that he can go to work in the private sector and will not be separated from his family for 5, or 6, or 7 months, and perhaps he would want to make a change and not be a serviceman or a servicewoman any longer. I think it does them a real disservice to try to inject a little more business 2,000 or 3,000 miles away from their home, to try to strip these Navy families from their homes, take the wife out of her second job, or else just separate them for 2, or 3, or 4, or 5 months at a time after they have come off a major cruise.

Mr. Chairman, I thank the gentleman for his remarks.

Mr. BENNETT. I thank the gentleman and would like to make some additional comments.

Mr. Chairman, I rise to state my opposition to language in the report accompanying the appropriations bill that would adversely affect the readiness of the Navy. This language would direct the Navy to open for bid on a coastwide basis all of the ship repair and overhaul work now accomplished in so-called selected restricted availabilities, or SRA. Current Navy policy promotes readiness by having short-duration repair and overhaul work done in a ship's home port.

The change in Navy policy directed in this language would be a serious blow to the men and women of the Navy. First, it would require sailors to spend significant periods of time—up to 3 or 4 months at a time—away from their families without their ship even being deployed. When added to regular deployments and cruises, this additional time out of port is likely to seriously affect morale and retention of our dedicated sailors.

Assistant Secretary of the Navy Pyatt wrote to me recently concerning this subject. He said, and I quote, "Our crews are already required to be deployed away from their families more than we desire. They make this sacrifice because of the importance of the task. Increasing their time away from home, in many cases just before or after completion of an overseas deployment, will have a very serious adverse impact on their morale and the quality of family life."

Second, it would be a waste of money. Moving ships out of their ports to other locations is costly. So is moving the crew back and forth to facilities located in their home port for training and schools. Section 8084 of the bill would not even allow these costs to be considered in choosing among the bidders for repair and overhaul work. Further, it isn't at all clear that opening up the bid area to the entire coast—presumably a procompetitive move—would really promote more competition. There are already some 10 to 15 bidders on much of the repair and overhaul work in the Navy's major home ports.

Finally, there needs to be a thorough examination by the cognizant committees of Congress of such a significant change in ship repair policy. Should it be determined on the basis of the evidence and careful consideration that the Nation would be better served by changing the Navy's approach, legislation should be brought forth to make the change rather than report language.

In summary, Mr. Chairman, the effect of this language would be bad for our Navy people, bad business, and a waste of time and money. The language does not, in my view, represent the views of a majority of the Members of the House.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. I thank the gentleman.

My colleagues, the Appropriations Committee has done the right thing by deleting from this bill $163.6 million for the procurement of binary chemical weapons. What led the committee to make this decision? They correctly assessed that this is neither the time nor the place to fund this ill-advised program.

I want to rise today to commend my colleagues on the Appropriations Committee. I feel they have done the right thing with respect to deleting the funding for chemical weapons, and I want to state my agreement with what they have done. I think that this is neither the time nor the place to fund this ill-advised program.

With budget deficits this year running $211.9 billion, I hardly think this is the time or the place to begin the funding of yet again another new weapons system whose costs could, by conservative estimates, exceed $6 billion.

Equally important, I believe, is the fact that the testing of the Bigeye bomb, which is a key component of this program, has never been successfully done. Therefore, I think more time must be expended on research and development before we go into procurement. Finally, I must point out that our NATO allies are very disturbed and do not want these weapons deployed in Europe. Therefore, I say again that the committee has done the right thing. It is neither the time nor the place to fund this weapons system, and I think the committee has acted wisely.

Mr. Chairman, with the passage of the Defense authorization conference report yesterday, we are now talking about a whole new ballgame. The conditions regarding the procurement of binary nerve gas weapons that were in the conference report are not the same as those passed by the House in June.

For one, the conditions for procurement do not now require the formal approval of the NATO nations or NATO's acceptance of these weapons on their soil. But to be of any value as a deterrent, the proposed binary stockpile must be deployed where it is to be used—that is, in Europe. In this regard, our allies in Western Europe have expressed their categorical opposition to the deployment of new chemical weapons on their soil. My colleagues, if we cannot use these weapons as a deterrent, we should not be funding them.

The second difference between the House-passed conditions and the conditions approved yesterday in the conference report appear to be small, but in fact is quite significant. The conditions that this House accepted in June stated that binary weapons could not be procured or assembled until after September 30, 1987, and then, only if the other conditions had been met. This would have effectively fenced the funds until fiscal year 1988. But what we approved yesterday was language stating that the binary weapons could not be completely assembled until after this time. This means that the funds would no longer be fenced—procurement could begin this year.

Fortunately, the Appropriations Committee decided that no strong or compelling case has been made to prove that production of a new generation of binary weapons will enhance our chemical deterrent or increase the safety of our chemical stockpile.

The fact is, binary weapons will do neither.

Why, then, are we being asked to follow the Pentagon down this path, spending taxpayer dollars all along the way? Clearly, the case for binaries has not been made. Even the President's Chemical Warfare Review Commission has failed to provide their utility.

In its recent report to the President (p. 19), in response to claims by the Defense Department that our current stockpile is seriously deteriorating, the Commission wrote that it "believes that they (the claims) are unduly pessimistic."

**And yet, proponents of this amendment argue that binaries are safer than unitaries. My colleagues, the advantages in the safety of the new binary chemical weapons may exist, but this argument deals with a problem that does not exist. In fact, there never has been a serious accident in the reproduction, transport, or storage of our existing chemical weapons.**

**Again, I quote from the Report of the Presidential Commission:**

The Commission has found that rumors of the stored munitions being dangerous or leaking appear to be exaggerated and inaccurate. The number of artillery rounds in which leakage has been found is infinitesimal, amounting to 6 per 10,000 artillery shells. Panels of scientists from the National Research Council that conducted tests in 1983 concluded that the metal parts of most kinds of artillery rounds and bombs were sound. All the weapons in Europe are serviceable (p.20).

**Now, with respect to the deterrence arguments put forth by proponents of this amendment, I say to you that binary weapons will only serve as a deterrent if they can be deployed and our NATO allies will not permit deployment of new chemical weapons because of adamant domestic opposition.**

**Due to NATO opposition, the proponents of these weapons would have us believe that we would transport them to the European front in the time of crisis.**

**Do you really believe that, in a time of crisis, we would have the luxury of time to transport these weapons to the front? Will the Russians sit back and do nothing while we scurry to send over a paltry number of chemical weapons?**

**It is not hard to imagine how the transportation of these weapons to the European theater during a crisis would place significant strain on our air and sealift capabilities; a burden that would force delays and competition with the delivery of other crucial materials. Furthermore, it would seem to me that once the other side knew of our importation of chemical weapons during a crisis, the eventual use of chemical weapons would be almost guaranteed.**

**With that said, the question remains: Why did the Appropriations Committee vote strike funding for binary weapons from this bill? The important deterrence and safety issues aside, Appropriations wants to make sure the Pentagon's Bigeye bomb works.**

**Frankly, the Bigeye bomb, does not work. Today, more than 20 years after its inception, the Bigeye bomb has still not been successfully tested and proved to be a viable weapon. The GAO has repeatedly pointed out the technical flaws of the Bigeye, and yet DOD continues to send us confusing reports as to the worthiness of the weapon.**

**In a June 17, 1985 report to House Foreign Affairs Committee Chairman DANTE FASCELL, they found that the Bigeye failed to pass most tests in agent purity and structural integrity. The report stated:**

We have seen reports that describe internal and external structural damage to the bomb as a result of test and we have seen reports that mention leaking of chemicals. A problem of meeting VX purity requirements at high temperatures also seems to persist . . . Based upon evidence we have seen to date, some of the Bigeye problems cited in earlier GAO reports remain. (Source: June 17, 1985 letter from GAO to Dante Fascell).

**It is instructive to recall Secretary Weinberger's recent decision to cancel the fatally flawed DIVAD gun. It should serve as a lesson to this House. Beginning in 1977, Congress appropriated $1.8 billion for that system which was never successfully tested. To date, the Department of Defense, either through intentional finagling or consistent bungling, has been unable to convince the independent, nonpartisan GAO of the effectiveness of the Bigeye. Like the DIVAD Program, it seems as if someone at DOD has simply decided to declare success and make an all-out fight for support of the program, regardless.**

**Now I ask, does it make sense under these circumstances to approve yet another costly weapons system? A weapons system that, by reliable estimates, will cost anywhere from $6 billion to $12 billion or more. Remember, my friends, today we are not talking about $164 million for chemical weapons production in this bill. We are talking about the creation of a new entitlement weapons systems.**

**Even DOD concedes that our defense capacity needs more resources in the conventional weapons, spare parts, and manpower that an effective military power needs. Nonetheless, in light of recent reports that defense spending will be curtailed in the years to come, the Pentagon has been very quick to release statements calling for a reduction in spending on spare parts and conventional weapons and ammunition. These necessities are already in short supply.**

**As I speak, conferees from this and the other body are continuing to discuss the Gramm-Rudman proposal. I support this proposal; it is the first real step Congress has taken toward reducing the deficit. But for Congress to vote overwhelmingly for Gramm-Rudman, and then turn around and support an amendment that could increase future defense outlays by $6 to $12 billion, is beyond comprehension to me, and to the majority of American taxpayers.**

**The production of chemical weapons is a perfect example of the procurement explosion, which, if left unchecked, could hurt our defense readiness. I have time and again tried to press this point on my colleagues. if the Pentagon must spend billions of dollars to secure our national safety, it would be wiser to focus more sharply on the real heart of our military deterrence—conventional operations and their support systems, and importantly, protective equipment to defend against chemical attack.**

**Mr. Chairman, we must defend this Nation, but we simply cannot afford every new weapon requested by the Pentagon, particularly a weapon that is technically, politically, and morally flawed. On our scales of defense priorities, production of new binary nerve gas should be at the bottom. We cannot afford it; we cannot use it; we cannot justify it; and there are far better places in the Defense budget where the money could be put to use.**

Mr. Chairman, I yield back the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman from Florida [Mr. CHAPPELL] for the excellent work that he has done in standing in and managing this bill. As a member of the subcommittee who has worked with the gentleman on a number of issues since joining the committee, to have watched him handle this bill through the subcommittee, through the full committee, and now on the floor, I really want to tip my hat to him and express my admiration for the manner in which he has handled this bill.

Mr. CHAPPELL. If the gentleman will yield, I am indeed very grateful.

I thank the gentleman.

Mr. AUCOIN. I would also say to the Members, as someone who has criticized excesses in defense spending, that the product this subcommittee brings to the House today goes a long way toward correcting problems I have been critical of in the past. Depending on the outcome of the amendments, how they may fare through the amending process on the floor, I am prepared to support strongly the final product of this committee.

I do want to say a couple of things about the question of naval repair infrastructure and the capability this country needs to maintain—on both coasts—so that in the time that this Nation may, under military duress, need to turn to additional infrastructure, that that individual base is there for our naval and military purposes.

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The gentleman from Florida [Mr. BENNETT] a few minutes ago said there was a provision in the committee report language that was awful, in terms of what it does to naval families. This committee, after having a survey and investigations report from our survey and investigations staff, after having looked at the General Accounting Office report which examined the question of competition in bidding on Navy repair and maintenance jobs on both coasts, came to the conclusion that something needs to be done to open up this work to greater competition. The report language simply says that SRA work that is destined for private yards on both coasts shall be opened up to coastwide competition.

Now, if Members want to hide behind arguments that somehow this is going to penalize families, all they need to do is come to Portland, OR, where you will find work now being

done in the Portland shipyards, and the Navy families, crew members who are there, being treated like royalty.

I think at a time of resource scarcity within our budgets, we ought to be looking for ways to improve competition, bringing costs down to the taxpayer, to the Pentagon, and our provision does that. That is what the issue is.

Mr. McDADE. Mr. Chairman, I yield 2½ minutes to my distinguished colleague, the gentleman from Louisiana [Mr. LIVINGSTON], a member of the subcommittee.

Mr. LIVINGSTON. I thank the gentleman for yielding.

Mr. Speaker, I was not going to take this time, but since the issue of binary chemical weapons came up, I thought it only proper to make the record very clear that I had opposed the action of the full committee. That vote in the full committee was very, very close. There was a slim margin of only 26 members to 24 members who voted to delete the provision that was inserted by the subcommittee to fund the binary chemical weapons that were actually authorized by the authorizing committee.

The fact is, we have an aging system in which weapons have not been produced for as long as 14 years. I think the average age of chemical weapons in our stockpiles is some 26 years of age. One percent of those supplies are leaking and are lethal. Two-thirds of the money which was to have been spent on this program was targeted simply to clean up the damaged and outdated type of material that we currently have.

I would summarize by saying that there are arguments which are very strong on both sides of this issue. It is not worth debating at this time. While I support the report and the bill that we have before us today, I cannot agree with the preceding comments on this issue.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Washington.

Mr. DICKS. The gentleman is absolutely correct in saying that this was a very close issue. I think a lot of it surrounded the conditions in the authorization bill. But I think there is one thing that all of us are agreed to, and that is that the reason this House reauthorized on this issue was to try to send a strong message to the Soviets that we would like to see progress in the negotiations. Even though the money is not here, the money could certainly be here at a future date if there is not progress, because the authorization bill is in place. Under the authorization bill, money would not have been spent until next year anyway.

So I think the gentleman from Louisiana, who has been a very articulate spokesman on this, the gentleman from Illinois who has been a leader on this, I think all of us would like to see real genuine progress on the chemical weapons issue. So I commend the gentleman for his statement.

Mr. LIVINGSTON. I appreciate the gentleman's remarks. He will recall that even Mikhail Gorbachev of the Soviet Union says it is possible to reach an agreement whereby no country has these weapons at their disposal. But the problem is, of course, that the Soviets have many times what we have in our arsenals, and 11 countries in the Third World have them as well. It is best to dispose of this issue by eliminating these weapons altogether, but until that becomes possible, the United States should have a strong and efficient deterrent to deter the use of these weapons by other nations.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in support of the bill.

**Mr. Chairman, when the House considered the issue of funding for chemical weapons during the defense authorization debate of June 19, the House conditioned the authorization of funding for chemical weapons on a number of tough conditions. These conditions were essential to the support for the tentative authorization.**

**Following the vote, 34 Members who voted for the compromise package wrote to House Armed Services Committee Chairman LES ASPIN stating that the conditions included were essential to their support. They stated that they would not be able to support an appropriation for chemical weapons unless those conditions were maintained.**

**Mr. Chairman, those conditions were as follows:**

SEC. 8093. (a) Except in accordance with subsection (b), none of the funds appropriated in this Act may be used—

(1) for procurement or assembly of binary chemical munitions (or subcomponents of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or subcomponents of such munitions).

(b) The funds referred to in subsection (a) may be used for the procurement or assembly of complete binary chemical munitions after September 30, 1987, if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by such date;

(2) the President transmits, after such date, a certification to the Congress that—

(A) the procurement and assembly of such complete weapons is necessitated by national security interests including the interests of the members of the North Atlantic Treaty Organization;

(B) performance specifications established by the Department of Defense and in effect on the date of enactment of this Act with respect to such munitions will be met or exceeded in the handling, storage, and other use of such munitions;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions;

(D) the Secretary of Defense's plan (which shall accompany such certification) for destruction of existing chemical stocks is ready to be implemented; and

(E) the North Atlantic Council of the North Atlantic Treaty Organization (NATO) has formally agreed—

(i) that chemical munitions currently stored and deployed in NATO countries need to be modernized in order to serve as an adequate deterrent;

(ii) that such modernization should be effected by replacement of current chemical munitions with binary chemical munitions; and

(iii) that the European member nations of NATO where such chemical munitions are to be stored or deployed are willing to accept storage and deployment of binary chemical munitions within their territories;

(3) such procurement and assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the Secretary of Defense's basing mode for such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are based in separate States; and

(5) the Secretary of Defense's plan for the transportation of such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are transported separately and by different means.

**The key points of the conditions were, first, that there was a complete fence on all chemical weapons funding until September 30, 1985, and, second, that the NATO countries had to agree to accept these weapons on their soil before production begins.**

**These conditions were made meaningless in the House-Senate authorization conference that followed. The conditions they included were as follows:**

SEC. 8093. (a) CONDITIONS ON SPENDING FISCAL YEAR 1986 FUNDS FOR BINARY CHEMICAL MUNITIONS.—Funds appropriated in this Act may not be used—

(1) for procurement or assembly of binary chemical munitions (or components of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions),

except in accordance with subsections (b) and (c).

(b) NATO CONSULTATION.—Subject to subsection (c), funds referred to in subsection (a) may be used for procurement or assembly of binary chemical munitions or for the establishment of production facilities necessary for the procurement or assembly of binary chemical munitions (or components of such munitions) if the President certifies to Congress that the United States—

(1) has developed a plan under which United States binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and

(2) has consulted with other member nations of the North Atlantic Treaty Organization (NATO) on that plan.

A plan under clause (1) shall be developed in cooperation with the Supreme Allied Commander, Europe.

(c) CONDITIONS FOR FINAL ASSEMBLY.—Funds referred to in subsection (a) may not be used for the final assembly of complete binary chemical munitions before October 1, 1987, and may only be used for such purpose on or after that date if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by that date;

(2) the President, after that date, transmits to Congress a certification that—

(A) final assembly of such complete munitions is necessitated by national security interests of the United States and the interests of other NATO member nations;

(B) performance specifications and handling and storage safety specifications established by the Department of Defense with respect to such munitions will be met or exceeded;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions; and

(D) the plan of the Secretary of Defense for destruction of existing United States chemical warfare stocks developed pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (which shall, if not sooner transmitted to Congress, accompany such certification), is ready to be implemented;

(3) final assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the plan of the Secretary of Defense for landbased storage of such munitions within the United States during peacetime provides that the two components that constitute a binary chemical munition are to be stored in separate States; and

(5) the plan of the Secretary of Defense for the transportation of such munitions within the United States during peacetime provides that the two components that constitute a binary munition are transported separately.

(d) SENSE OF CONGRESS.—It is the sense of Congress that existing unitary chemical munitions currently stored in the United States and in European member nations of NATO should be replaced by modern, safer, binary chemical munitions.

(e) REPORT.—Not later than October 1, 1986, the President shall submit to Congress a report describing the results of consultations among NATO member nations concerning the organization's chemical determent posture. The report shall include descriptions of any consultations concerning—

(1) efforts to provide key civilian workers at military support facilities in Europe—

(A) with personal and collective equipment to protect against the use of chemical munitions; and

(B) with the training required for the use of such equipment;

(2) efforts to upgrade the chemical reconnaissance, decontamination, and protective capabilities of the military forces of each NATO member nation to a level adequate to meet the chemical threat identified in NATO intelligence estimates;

(3) efforts to initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities in European member nations of NATO against chemical attack; and

(4) efforts to initiate a NATO-wide study of equitable and efficient sharing among NATO member nations of responsibilities with regard to deterring the use of chemical munitions in Europe.

**The conference weakened the conditions first to allow all funding for chemical weapons except for the final assembly of these weapons. Although the definition of final assembly is not clear, I do understand that the final assembly of a binary weapon does not occur until the weapon is over the heads of the enemy. Therefore this condition was hardly any bar to the productions of chemical weapons.**

**Second, the conference struck the language dealing with the necessary approval of NATO and changed that to require mere consultation with NATO on a plan to deploy these weapons at sometime in the future. It is clear that consultation on a plan could occur overnight, once again allowing the production of chemical weapons to go through.**

**When the conference report was returned to the House many Members who originally supported the compromise package changed their minds. They realized that under the original House language there was no need for the appropriation of funding for chemical weapons in fiscal year 1986. The Defense Appropriations Subcommittee unanimously agreed with this position by including the original House language and not the conference report language in their bill when they reported the defense appropriations bill for fiscal year 1986 to the full committee.**

**In a top secret, closed markup of the House Appropriations Committee the committee discussed the full range of issues concerning chemical weapons and voted to delete funding for these weapons. Many members who had originally backed the original House language voted for my amendment to delete $163 million for new nerve gas weapons.**

**This position was not even questioned on the House floor. The failure of chemical proponents to even attempt to put in funding for these weapons indicates a strong climate for holding the line on unnecessary spending. It is clear evidence that this House is not in support of any new funding for chemical weapons in the fiscal year 1986 defense appropriations bill. I trust the conferees will remember this when they take up the bill in conference and not provide funding for new chemical weapons.**

Mr. McDADE. Mr. Chairman, I reserve the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in support of this bill and complement the committee on its construction.

As most of the Members of this body, particularly on this side of the aisle, know, this is Act 3, probably, in a 5-act-long drawn-out drama about military authorization and appropriation, and this appropriations bill, I think, meets the needs of this country and of many people in this party. It provides for a strong defense. It provides for an amount of money, $276 billion-some-odd that cannot be sneezed at, but, on the other hand, it is certainly within our budget mandate which the authorization bill was not. The amount of money that will be spent will be considerably lower, actually, than the Budget Committee authorized. More important than that I think is the issue of procurement. The four reforms that were in the authorization bill and voted upon overwhelmingly in this House are in the appropriations bill and, furthermore, as I understand it, there is a commitment that if in conference any of those four amendments are not agreed to or changed substantially, the House will have an opportunity to vote on them in an amendment in disagreement. That is extremely important, ladies and gentleman, because the one issue in defense where there is a national consensus from right to left is in the area of procurement reform, in the area of waste. What happened in the 1970's to social programs, with pictures of welfare mothers driving Cadillacs, is happening to defense in the 1980's. Six-hundred dollar toilet seats and $7,000 coffee pots have eroded the consensus for increased defense spending in this country.

All of us who care about the defense of this country and yet who care about budget problems should be eager to see that these procurement reforms remain. Will they eliminate all the waste in the defense budget? By no means. But will they certainly make a dent and send a shot across the bow of the Pentagon that some of these wasteful practices must end? Indeed they will.

I urge support of the appropriation.

Mr. CHAPPELL. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. SIKORSKI].

Mr. SIKORSKI. I thank the gentleman for yielding.

Mr. Chairman, massive fraud and abuse by some defense contractors in violation of the conflict-of-interest laws that we have in this Nation and the Department of Defense's inability to deal with these issues have been the general fare served up to us at breakfast on the morning news and at dinner on the evening news. We hear how taxpayers have been taken to the cleaners by being billed for everything from exotic vacations in Pago Pago to dog-kennel boarding and how grand juries are investigating former members of the Department of Defense who swing through the revolving doors of lucrative jobs with whom they were dealing in the private sector. But nothing was done. We passed overwhelmingly four major procurement reforms, to see them gutted in conference.

This is our second chance. We want a clear signal to the conference com-

mittee. I commend the appropriations people for bringing out these reforms in this version. We want to make sure that allowable costs are certainly allowable and proper. We want to make sure that the revolving door is slowed down just a bit, for the interest of all, and we want to make sure there is some serious procurement reform.

Mr. ROWLAND of Georgia. Mr. Chairman, when we considered the Defense Department authorization bill the other day, I pointed out in my comments then the provisions which, I believed, would impact on the quality of medical care being provided by military medical facilities. I will not dwell on them again, instead, I wish to highlight the sections of this bill in which the Armed Services Committee presents proposals to address the health manpower needs of the armed services and the cost effective delivery of medical services to military dependents under the CHAMPUS.

In its report, the committee points out that the establishment of reserve medical manpower has not been fully implemented and requests a DOD development of an implementation plan to be submitted early next year. At a time when medical personnel in many specialties are in surplus, the opportunity to participate in the Armed Forces Reserves will be welcomed by a number of young physicians. This opportune time should not be lost due to the unavailability of training programs. Now is the time to recruit qualified men and women into the reserve component of medical manpower to assure the preparedness that our Nation's defense requires. The committee is to be commended for urging DOD to take action on the recommendations made by the inspector general's office.

Another manpower issue addressed in the committee's report deals with the understaffing of certain military medical facilities. In one case this has resulted in the loss of accreditation of one of our military hospitals. As I pointed out a few weeks ago, we must deal with the problems in military medical facilities directly responsible for an inadequate quality of medical care. Passing legislation merely permitting the filing of malpractice suits against the Federal Government does not really address the problem. Thankfully, the committee has committed funds above the budget request to address the manpower shortages that exist at seven facilities around the country. I would hope that these new funds will be utilized to recruit the most highly qualified medical personnel available so that these deficits can be overcome and excellence of medical care can be achieved.

Mr. Chairman, the final provision that I draw your attention to permits a test of home health services for CHAMPUS beneficiaries. This is of significance for two reasons. First, in many cases, patients can be more appropriately treated, in the home rather than in the hospital. These individuals, may very well improve more quickly at home and will be less likely to suffer from the acquisition of an infection during the hospital stay.

Second, during this time when we are all very concerned about the cost of health care, we should recognize that hospital care is the most costly component. With the judicious transfer of the patient to a less intensive setting for care or to the home, we can expect to achieve cost savings. I am encouraged by the inclusion of this test in the bill and look forward to learning of its results.

I have not touched upon all the health provisions of this DOD appropriation bill, Mr. Chairman, however I did wish to acquaint the House with certain provisions which warrant our special interest. As I have maintained in previous remarks, we must commit ourselves to assuring the highest quality of medical care to our Armed Forces personnel and others using military medical facilities. We can no longer allow these facilities and their health personnel to be considered second class. They should be second to none.

Mr. GREEN. Mr. Chairman, I rise today to support H.R. 3629, the Department of Defense appropriations bill, and to urge this House to retain two important provisions of this bill as marked up by my colleagues and myself in the Appropriations Committee.

First, this appropriating legislation would freeze fiscal year 1986 defense spending at the level of the previous year, $292.6 billion. In light of the current budget crisis, I believe that this show of fiscal restraint has a great deal of both practical and symbolic value.

Second, this bill contains no production funds for the procurement of binary chemical weapons thanks to an amendment in committee which deleted $163.6 million for this purpose. Even if one believes that this new generation of chemical weapons is necessary, which I do not, an appropriation of funds at this time is unnecessary. The authorizing legislation which passed this House provided that no funds for the production of these weapons should be made available for 2 years. I see no reason to appropriate funds in fiscal year 1986 which are not to be expended until fiscal year 1988.

While I opposed the conference report on the defense authorization, passed by this House yesterday, I believe this appropriations bill remedies several of the problems of the conference report and accurately reflects the will of the House of Representatives.

I strongly recommend that this measure be passed by the House and that its provisions—particularly those concerning chemical weapons—be protected by our representatives in a conference with the Senate.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to H.R. 3629, the defense appropriations bill for fiscal year 1986.

While this bill on its face achieves a freeze in spending at the fiscal year 1985 level, I am hard pressed to identify any real savings from this year's excessive authorizations bill. Rather than making substantive cuts, the Appropriations Committee has held down its totals simply by reestimating costs and stretching out delivery rates of procurement contracts. The savings reflected in this bill may well not be realized this year. And what savings there are almost certainly will be negated in future years as we begin to pay for obligations we entered this year on "layaway."

It is difficult to oppose a bill that is written at a freeze level. But when the savings are doubtful, rather than easily achievable cuts, the most responsible choice for me is to vote against that bill. For that reason I urge my colleagues to join me in opposing H.R. 3629.

Mr. SPENCE. Mr. Chairman, I want to join my colleagues in opposition to the committee's report language dealing with SRA's or short duration naval ship repairs. It would be disastrous to crew morale if the Navy felt obligated to follow the committee's recommendations to handle short-term repairs outside of a vessel's home port on a routine basis.

GAO has studied retention rate problems on several occasions. GAO found in one study done in 1983 that family separation is "the primary concern by officers and enlisted personnel separating from the Navy." Thus, the report concludes: "Any action that would increase family separation would be detrimental to retention."

The Navy also has studied this language in the committee report and concluded that it would have a severe impact on the military personnel who man our ships. Why? The operating schedules of ships that receive these short duration repairs are such that the repair work frequently must take place shortly before or after the extensive deployment. Out-of-home-port repairs would add additional time—3 or 4 months typically—that the sailor must spend away from his home and family. What impact will this have? More key skills will be lost as retention rates go down. Crew morale will fall off.

In light of these devastating effects if this language were given any credence by the Navy, I wish to express my opposition to it along with my other colleagues in the House.

Mr. PARRIS. Mr. Chairman, I wish to join my colleagues in opposition to the committee's report language dealing with short-term ship repairs.

This month, Vice Admiral Metcalf, the Deputy Chief of Naval Operations, reported that "Our biggest problem right now is retention of key skills * * *. How do we keep good people?" Any action that increases the amount of family separation will be detrimental to the retention of good people in the Navy. Yet, the committee's recommendation to bid out SRA's on a coastwide basis would do just that—increase family separation.

Now, let's look at the immensity of this loss. We're not talking merely about the

**crews who man our ships, but also the Navy pilots and mechanics who also must spend up to 70 percent of their time at sea. The Navy says that it now costs $1 million to train just one Navy pilot. If we lose only one pilot a year because of increased family separation, we've lost $1 million—that's the money we're going to have to spend to replace him.**

**Of course, when the Navy loses good men and women and when crew moral slumps, this Nation's military readiness is going to go down—no matter how good we build their ships and planes. If the full House were to give any support or credence to this particular report language, we would be doing nothing short of shooting ourselves in the foot.**

**I think that the vast majority of those of us in the House who have seen the recommendations contained in the committee's report language know that is unworkable and without merit. However, I believe it is important to expose it for what it is and deliver that message to the Navy. Therefore, I, too, stand in opposition to it.**

Mr. CHAPPELL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. McDADE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. DORGAN of North Dakota). The Clerk will read.

The Clerk read as follows:

H.R. 3629

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1986, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $21,718,923,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $16,446,673,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $5,025,377,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $18,275,085,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $2,152,904,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $1,296,023,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders' class, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $278,792,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8019, and 8033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $596,053,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $3,238,017,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $953,004,000.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENTS OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer amendments to title I which basically deal with the same area, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: Page 4, line 11, strike out "$2,152,904,000" and insert in lieu thereof "$2,159,254,000".

Page 4, line 24, strike out "$1,296,023,000" and insert in lieu thereof "$1,297,123,000".

Page 5, line 13, strike out "$278,792,000" and insert in lieu thereof "$278,842,000".

Page 6, line 2, strike out "$596,053,000" and insert in lieu thereof "$597,153,000".

Page 6, line 15, strike out "$3,238,017,000" and insert in lieu thereof "$3,238,217,000".

Page 7, line 3, strike out "$953,004,000" and insert in lieu thereof "$953,204,000".

Mr. MONTGOMERY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, before explaining the amendment, I certainly would like to commend the gentleman from Florida [Mr. CHAPPELL] for the outstanding job he has done and the cooperation that he has given us on the Armed Services Committee, and also the gentleman from Pennsylvania [Mr. MCDADE] for his work and cooperation, and the other members of the Appropriations Subcommittee. Also to the staff, for their help, and to my close and warm friend, Robin Deck, who is leaving us. Certainly she has been a great help to me.

Mr. Chairman, my amendments add a total of $9 million for four programs vital to wartime readiness: two would encourage health professionals with critical combat skills to serve in the Reserve and National Guard and two would enhance the Individual Ready Reserve.

Present and past Assistant Secretaries of Defense for Health Affairs have stated that, because of equipment and personnel shortfalls, an overwhelming majority of those wounded during the first few days of a major conflict in Europe would not receive life-saving, stabilizing, hemorrhage-stopping surgical care. Some progress has been made in the past few years, but we are still critically short of wartime requirements.

During peacetime, the services have sufficient workload to occupy a limited number of active duty surgeons—particularly ones with specialities such as neurosurgery and orthopedic surgery. When the balloon goes up, however, the requirement for such specialists to treat battlefield casualties will be nearly limitless. The answer is self-evident: we should meet the bulk of our wartime surgical requirement through the Reserve components. Unfortunately, woeful shortages currently exist.

My amendments would provide funding for two programs included in the Defense authorization conference agreement for fiscal year 1986—approved by this House yesterday—that are specifically targeted to this problem. The first program would repay a maximum of $3,000 of higher education loans for each year of satisfactory service completed in the selected reserve by a health professional in a wartime medical skill designated as critical by the Secretary of Defense—in other words, surgeons, operating room nurses, and nurse anesthetists. The maximum that could be repaid during a reserve career would be $20,000. My amendment would provide $5 million for this purpose.

The second program is similar to the current Armed Force Health Professions Scholarship Program but would provide specialty training—rather than initial medical education—in combat medical skills in exchange for service in the selected reserve. My amendments would provide $1 million for this purpose.

With respect to the Individual Ready Reserve, its improving of bonus programs providing for a volunteer muster in 1986 shortcomings and shortfalls are so severe—and yet so little attention has been paid to this problem—that I have at times felt like a voice crying in the wilderness. It is important to remember that our ability in wartime to replace initial combat casualties with pretrained manpower until draftees begin to flow out of the training camps depends on a viable Individual Ready Reserve. Over the past 5 years, there have been some improvements in sheer numbers, but the shortages persist. When you look beyond the numbers to the skill mix, the severity of the problem increases geometrically. The Defense Authorization Act contains two provisions that will make significant contributions to improved management of the IRR.

My amendments would fund a test, nationwide in scope, of the ability of the Army to muster the IRR. The Secretary of Defense would be required to report the results to the Congress early next year. The test would be voluntary but would serve as the basis for evaluating a future muster and/or refresher training requirement. We need to know who is there, what their skill levels are, what shape they are in, and what their immediate availability would be in the event of mobilization. My amendments would provide $2 million for this purpose.

Second, my amendments would fund a restructuring of the current IRR prior-service enlistment/reenlistment bonus by reducing the current 3-year bonus maximum from $900 to $750 and by creating a new 6-year bonus with a maximum payment of $1,500. This bonus is targeted to combat skills. As a condition of the bonus, the recipient would be subject to participation in an annual muster or active duty for training. My amendments would provide $1 million for this purpose.

Although my amendments cost little, their impact on our ability to continue to fight in the early days of a major conflict is significant. I urge my colleagues to support the amendments.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, we have examined the amendment on this side, and we have no objection to it. We think it is a good amendment.

Mr. MONTGOMERY. I thank the gentleman.

Mr. MCDADE. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Pennsylvania.

Mr. MCDADE. Mr. Chairman, I want to congratulate my friend for the fine work that he has done on this important issue. We have not only no objection but we are delighted to accept his amendment and his work product on this side of the aisle.

Mr. MONTGOMERY. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The amendments were agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to title I?

AMENDMENTS OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer five amendments dealing with military family benefits authorized in the authorization bill. Four amendments add money for reimbursement for travel and per diem and appear on pages 2 and 3, and the last strikes a general provision on page 73. In that they deal with the same issue, I ask unanimous consent that they be considered en bloc, notwithstanding the fact that the section on page 73 has not been read.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mrs. SCHROEDER:

Page 2, line 13, strike out "$21,718,923,000" and insert in lieu thereof "$21,761,423,000".

Page 2, line 24, strike out "$16,446,673,000" and insert in lieu thereof "$16,472,073,000".

Page 3, line 11, strike out "$5,025,377,000" and insert in lieu thereof "$5,041,377,000".

Page 3, line 22, strike out "$18,275,085,000" and insert in lieu thereof "$18,341,185,000".

Strike out section 8064 (page 73, lines 3 through 14).

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, I, too, want to thank the subcommittee chairman and the entire subcommittee for working so hard on this bill. They have done a terrific job.

Mr. Chairman, this amendment funds the increased reimbursement levels for travel and per diem that were contained in the authorization bill. We increased the reimbursement levels for the military to bring them into line with the civil service. Both members of the military and civil servants work for the same flag. When either is forced to move, the reimbursement should be the same.

Currently, the military member receives only about 70 cents for every $1 the civil servant receives as reimbursement for moving expenses. Even civil servants complain that the current reimbursement levels are grossly inadequate. To force members of the military and their families to go through the hardship of moving every 2 or 3 years, and then to force them to pay substantial sums of money out of their own pockets, is really unfair and damaging to morale. We will not be able to maintain our current reenlistment levels unless we correct this inequity.

While the Pentagon says the total cost would be $193 million, the Congressional Budget Office estimates that the total cost would be only $159 million. Since the fiscal year has already begun, we can reduce this level to $150 million. Therefore, my amendment only adds $150 million.

This amendment is needed because the amount of reimbursement for travel and per diem is set by regulation, subject to a cap that we impose by statute. If money is not appropriated to pay for increased levels of reimbursement, the regulations will not be changed and our purpose in trying to establish parity with the civil service will be frustrated.

I urge support for the amendment.

Mr. Chairman, my amendment would strike section 8064 of this bill. Section 8064 places a cap on the amount of money which can be spent on dependent student travel and, for the second year, prohibits DOD from paying for the portion of dependent student travel within the United States.

We passed section 430 of title 37, United States Code, in 1983 to provide dependents of members of the military with the same dependent student travel benefit as is provided to civil servants stationed overseas. The provision authorizes one round trip per year for a dependent from the duty station overseas of the member of the military to the secondary school or college attended by the dependent. It is not a big item—it costs about $4.5 million a year—but it is important to members of the military with children in school.

The Appropriations Committee, however, has added this section to prohibit the domestic portion of travel. So, if a sailor in Okinawa has a kid in school at the University of Colorado at Boulder, the Government pays for the Okinawa to California transportation and the sailor has to pay the California to Boulder portion. This restriction strikes me as punitive and unjustified. I believe that we ought to provide the same benefits to people who work for the same flag. Civil servants stationed overseas get one round trip paid for a year. So should members of the military. I urge adoption of this amendment.

□ 1155

Mr. CHAPPELL. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, we have examined the amendments on this side and have no objection to them.

Mrs. SCHROEDER. That is wonderful. I truly appreciate it, Mr. Chairman.

Mr. McDADE. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman, from Pennsylvania.

Mr. McDADE. Mr. Chairman, I want to say to my colleague, the gentlewoman from Colorado, that we have looked at her amendments. We know of the gentlewoman's interest in the matter, and we are prepared to accept them on this side of the aisle.

Mrs. SCHROEDER. Mr. Chairman, I really appreciate that. I think that is very helpful.

The other one that is in here deals with dependent travel, and it also makes that at parity with what other people working for the U.S. Government make.

I thank the gentlemen very, very much.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentlemwoman from Colorado [Mrs. SCHROEDER].

The amendments were agreed to.

The CHAIRMAN. Are there other amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $12,642,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $18,659,638,000, of which not less than $1,471,600,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $3,079,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $23,762,002,000, of which not less than $770,000,000 shall be available only for the maintenance of real property facilities: *Provided*, That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than $3,650,000,000 shall be available for the performance of such work in Navy shipyards: *Provided further*, That from the amounts of this appropriation for the alteration, overhaul and repair of naval vessels, funds shall be available for a test program to acquire the overhaul of two or more vessels by competition between public and private shipyards. The Secretary of the Navy shall certify, prior to award of a contract under this test, that the successful bid includes comparable estimates of all direct and indirect costs for both public and private shipyards. Competition under such test program shall not be subject to section 502 of the Department of Defense Authorization Act, 1981, as amended, or Office of Management and Budget Circular A-76: *Provided further*, That funds herein provided shall be available for payments in support of the LEASAT program in accordance with the terms of the Aide Memoire, dated January 5, 1981: *Provided further*, That obligations incurred or to be incurred hereafter for termination liability and charter hire in connection with the TAKX and T-5 programs, for which the Navy has already entered into agreement for charter and time charters including conversion or construction related to such agreements or charters shall, for the purposes of title 31, United States Code, (1) in regard to and so long as the Government remains liable for termination costs, be considered as obligations in the current Operation and Maintenance, Navy, appropriation account, to be held in reserve in the event such termination liability is incurred, in an amount equal to 10 per centum of the outstanding termination liability, and (2) in regard to charter hire, be considered obligations in the Navy Industrial Fund with an amount equal to the estimated charter hire for the then current fiscal year recorded as an obligation against such fund. Obligations of the Navy under such time charters are general obligations of the United States secured by its full faith and credit.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and mainte-

nance of the Marine Corps, as authorized by law; $1,615,128,000, of which not less than $238,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law, including the lease and associated maintenance of replacement aircraft for the CT-39 aircraft to the same extent and manner as authorized for service contracts by section 2306(g), title 10, United States Code; and not to exceed $5,556,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $19,507,672,000, of which not less than $1,385,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $7,340,076,000, of which not to exceed $11,117,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided*, That not less than $91,147,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $774,980,000, of which not less than $49,865,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $896,415,000, of which not less than $37,100,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $57,120,000, of which not less than $2,850,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $896,844,000, of which not less than $22,200,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $1,646,305,000, of which not less than $57,300,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; $1,803,862,000, of which not less than $37,000,000 shall be available only for the maintenance of real property facilities.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the necessary expenses, in accordance with law, for construction, equipment, and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; and the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; not to exceed $820,000, of which not to exceed $7,500 shall be available for incidental expenses of the National Board; and from other funds provided in this Act, not to exceed $630,000 worth of ammunition may be issued under authority of title 10, United States Code, section 4311: *Provided*, That competitors at national matches under title 10, United States Code, section 4312, may be paid subsistence and travel allowances in excess of the amounts provided under title 10, United States Code, section 4313.

CLAIMS, DEFENSE

For payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions), including claims for damages arising under training contracts with carriers, and repayment of amounts determined by the Secretary concerned, or officers designated by him, to have been erroneously collected from military and civilian personnel of the Department of Defense, or from States, territories, or the District of Columbia, or members of the National Guard units thereof; $148,300,000.

COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the United States Court of Military Appeals; $3,200,000, and not to exceed $1,500 can be used for official representation purposes.

TENTH INTERNATIONAL PAN AMERICAN GAMES

For logistical support and personnel services (other than pay and nontravel related allowances of members of the Armed Forces of the United States, except for members of the Reserve components thereof called or ordered to active duty to provide support for the Tenth International Pan American Games) provided by any component of the Department of Defense to the Tenth International Pan American Games; $10,000,000.

ENVIRONMENTAL RESTORATION, DEFENSE

(TRANSFER OF FUNDS)

For the Department of Defense, $329,100,000, to remain available until transferred: *Provided*, That this $329,100,000 be derived by transfer from funds provided in appropriations contained in titles II, III and IV of this Act: *Provided further*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration and hazardous waste disposal operations, reduction and recycling of hazardous wastes, research, development and demonstration with respect to hazardous waste reduction, treatment, disposal, and management, or for similar environmental restoration purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time period as the appropriations or funds to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred pursuant to this provision are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title II of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to title II?

Mr. SISISKY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am extremely concerned about report language in the fiscal year 1986 Defense appropriations bill that would "direct the Department of the Navy to open up for bid on a coastwide basis not only regular ship overhauls, but also all selected restricted availabilities intended for private shipyards." I am quoting from page 102, paragraph 3 of the Appropriations Committee Report 99-332.

Apart from the jurisdictional questions I have about whether this issue should be dealt with more appropriately by the authorizing committee, the House Armed Services Committee, I am extremely concerned about the adverse impact this directive could have on Navy morale and readiness. I think the greatest Navy problem that we're most likely to face in the years ahead has little to do with hardware. We've done a good job of providing new hardware over the last few years.

The problem I see that is staring all of us in the face is the problem of attracting quality people into military service, and particularly Navy service, in the coming decades. We simply can't afford to extend sea duty and extend time away from home to the point where people don't see their families, their wives, and their children. That's not fair to Navy personnel; it's not fair to their families; and a man or woman with a good perspective on their family obligations wouldn't stand for it or sign up for it in the first place.

That's one of the reasons why I believe this report language is so devastating. It has every potential of taking more weeks or months away from Navy family life. It has every potential of contributing to more disruption of family ties. I don't think we should be in the position of telling a Navy man that he has to spend weeks or months on a barge or in a motel while his ship is being overhauled in some distant shipyard, miles away from his wife and his children. Sea duty is enough of a family problem, without adding insult to injury.

Like I said, I can't imagine a responsible family that would say "Yes" to the Navy's enlistment invitation in the face of such great odds that they would be separated for such long periods of time. Sea duty is one thing; Navy people know that sea duty is part of Naval service and commitment. But in this case, what we're asking them to accept is not part of naval commitment at all. It never has been, and I submit that we should not make it a part of naval commitment now. It simply is not necessary and is not worth the cost we would incur in terms of losing quality personnel who are committed to meeting responsible obligations to their families.

Apart from the adverse impact on family life, I believe we need to think more about the adverse impact this proposal could have on naval readiness. I don't believe that anyone has ever alleged that homeport shipyards have failed to do the job. The shipyards in the Tidewater area have an exemplary record of completing work on time—if not ahead of time.

We've all heard the old saying, "If it ain't broke, don't fix it." Why on Earth should we take ships out of an area with facilities perfectly capable of doing the job? Why should we spend precious budget dollars to get ships and people up and down the coast, when we could keep folks at home with their families and ships in their homeport for necessary repairs—and all of this for less money? I think this is one of the most misguided excuses for competition I've even heard of.

It's a little like that Breeder's Cup horse race coming up this weekend. You can even things up between the competitors by putting lead in somebody's saddle—but that's not something we want to do in terms of defense contracts for ship overhauls. I think we can do that for sport, but we shouldn't play that game when it comes to national security and the family life of Navy personnel.

Spreading the wealth is one thing, but we don't want to spread the wealth so thin that we impoverish everyone. We've got competitive ship repair in Norfolk. We've got competitive ship repair on the west coast. In Norfolk and San Diego alone, a ballpark number of 25 ship repair companies regularly bid on Navy work. There are other ship repair centers that raise that number even higher. But I am opposed to creating a defense appropriation shipyard welfare program. We simply can't afford to keep everyone afloat, all the way up and down the Atlantic, gulf, and west coasts.

We need to develop sensible policies, designed around the objectives of spending defense dollars wisely and preserving the quality of life for naval personnel and their families. I submit that we need to take a much closer look at the desirability of having the Navy live by the report language accompanying this bill.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. SISISKY. Yes; I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I appreciate the gentleman's yielding to me.

Mr. Chairman, I just want to identify myself with the gentleman's remarks and commend him for the splendid statement he made.

Mr. Chairman, I rise to bring a matter of considerable concern to the attention of my colleagues. The subject is the Navy's policy regarding selected restricted availability, or SRA.

For discussion purposes one can think of an SRA as a sort of minioverhaul. These SRA maintenance and repair periods are designed to accomplish a variety of work on naval vessels without the ship having to undergo the complete stand-down that occurs during a regular overhaul. The use of an SRA to do some kinds of routine work means that there can be a longer period of time between regular overhauls, thus making the ship available for operations for longer periods of time.

The current Navy policy is that SRA's are conducted in ship homeports. This policy is constantly reviewed by both the Armed Services Committee as well as the Appropriations Defense Subcommittee. As recently as in last year's Defense appropriations bill the current policy has been concurred in. Let me quote from the conference report accompanying last year's bill. "The conferees therefore agree that the Navy may reserve SRA's for homeport areas."

My concern today on this subject results from language in the report language accompanying this bill. The report language directs the Navy to open up for bid on a coastwide basis all SRA's intended for private shipyards. This change comes less than 1 year from the previous endorsement of the current Navy policy I just quoted.

There are several aspects of this report language recommended change that disturb me. To begin with, I think it is unwise for the Congress to constantly recommend significant policy changes. That procedure makes it very difficult for the Navy to effectively plan and schedule SRA's and overhauls.

However, my greatest concern centers on the extremely disruptive and detrimental effect this recommended change will have on the lives of our sailors and their families. Under the current policy, an SRA can be conducted in a ship's homeport shortly after returning from a deployment. This makes it possible for the crew of the ship to be in homeport with their families during that maintenance and repair period. To move the ship to some other port for the SRA only exacerbates the family separation problems which are a major cause of personnel problems for the Navy.

Another significant advantage of doing SRA's in homeport is related to crew training. Since many of the Navy's shore training facilities are colocated in major ship homeport areas, the crew can take advantage of those training opportunities during the stand-down associated with a homeport SRA. If the SRA is done in some other port, the crew must be sent TDY

to the training facility location requiring unnecessary per diem and travel costs.

Mr. Chairman, there are several other reasons why this SRA language in the report is unwise. However, let me summarize by saying that it is bad for two principal reasons: First, it has a negative impact on Navy personnel and family separation problems; and second, it will cost the Navy; more O&M dollars than the current policy.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, our report was somewhat in error on the present Navy policy regarding the matter that has just been discussed. I would like to clarify for the record what the present position of the Navy is regarding their policy on this matter.

The present Navy policy is that all selected restricted availabilities [SRA] in excess of 6 months' duration will be competed on a coast-wide basis in keeping with congressional intent to ensure maximum competition for Government procurement programs. SRA's of 6 months or less in duration will be restricted to the homeport area provided sufficient ship repair competition capability and capacity exist.

This statement is for the purpose of clarifying the wording in our report.

**Mr. LOWERY of California. Mr. Chairman, I rise to call my colleagues' attention to a most disturbing and unfortunate passage in the report accompanying the defense appropriations bill before us today. The report language I refer to is on page 102, and the section is entitled "Ship Maintenance Reserved for Homeport."**

**During committee markup, I offered an amendment to revise this language since it is incomplete and misleading with regard to the Navy's homeport for ship repairs. My alternative language was not adopted, thus I stand before you today, as will many other Members, to clarify the intent of Congress on this matter.**

**Though you will find no dissenting views or statements contrary ot the language on page 102 coming from the committee, I can assure my colleagues that this passage was not accepted with overwhelming enthusiasm. Indeed, this language was inserted at the behest of Northeast and Northwest Members to aid their shipbuilding constituencies. Unfortunately, the language fails to reflect upon the most fundamental reason Navy policy is what it is, and that is crew morale.**

**The report language, as it is currently written, misstates the Navy's homeport policy with respect to "selected restricted availabilities," [SRA's] and incorrectly implies that inadequate competition and capacity exist at our homeports.**

**Again, the most glaring error is the failure to mention the driving force behind Navy homeport policy, crew morale, and what effect this policy shift—imbodied in the report language—will have on family separation and personnel retention.**

**Make no mistake, this is a quality of life in the military issue if there ever was one. Removing SRA's from homeports, as the report now directs, will add an additional time that our sailors will have to spend away from home and family to the time already associated with arduous sea duty tours. With family separation as the Navy's No. 1 retention problem, this report language will cause more hardship than it will ever relieve.**

**Presumably, the report seeks to assist private shipyards outside of homeport areas. I have no qualms with maintaining an adequate industrial base to ensure our mobilization capability. But the Navy's current policies of competing the more lucrative overhaul contracts coastwide, as well as its determination to expand the number of homeports, adequately addresses the issue of keeping private yards on line.**

**Competition is not at issue either. Competition thrives at our homeports, so there is no danger of the Navy not getting a good price on its repair contracts. And should saturation occur, a most unlikely event, the Navy policy requires that the bid area be expanded.**

**So, where is the problem and why is this language necessary? The problem is this language. At the very least, a directional policy shift should encompass a discussion of effects on military personnel. Yet, beyond this point, it must be understood that this language neither resembles homeport realities nor correctly portrays Navy policy.**

**I would ask the authors of this language:**

**First. Have you calculated the cost to the taxpayer that such a shift in Navy homeport policy could cause?**

**Second. Is this not a policy decision you are making? Accordingly, have you consulted with the authorizing committee?**

**Third. Have you consulted Secretary Lehman or Assistant Secretary Pyatt and what are their views on such a major shift in Navy homeport policy?**

**Clearly, more thought need be given to this matter before we leap into a situation with far-reaching ramifications for our Navy personnel, local economies, national security and outright cost.**

**One final point, Mr. Chairman. During committee consideration, some members referred to a GAO study which criticized San Diego shipyards for low-bidding and other unsavory acts. First of all, the GAO study compared apples and oranges with respect to San Diego and Pacific Northwest yards. But most importantly, the GAO study, whether accurate or not, is irrelevant to the issue before us. What is at stake is the Navy's homeport policy for minor ship repairs, and its attendant effects on personnel retention, training, and morale. Don't be swayed into believing this language is procompetition or proreform: It is neither.**

**I ask unanimous consent to revise and extend my remarks.**

The CHAIRMAN. Are there other amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,337,300,000, and in addition, $217,600,000 to be derived by transfer from "Aircraft Procurement, Army, 1985/1987", to remain available for obligation until September 30, 1988.

MISSILE PROCUREMENT, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, as follows:

Chaparral program, $37,200,000;

Other Missile Support, $5,000,000;

Patriot program, $967,400,000;

Stinger program, $244,100,000;

Laser Hellfire program, $250,700,000;

TOW program, $181,300,000;

Pershing II program, $334,700,000;

MLRS program, $491,600,000, and in addition, $46,500,000, of which $36,400,000 shall be derived by transfer from "Missile Procurement, Army, 1985/1987" and $10,100,000 shall be derived by transfer from "Missile Procurement, Army, 1984/1986";

Modification of missiles, $222,000,000;

Spares and repair parts, $312,000,000;

Support equipment and facilities, $56,632,000;

And in addition, $78,000,000 to be derived by transfer from "Missile Procurement, Army, 1985/1987";

In all: $2,939,232,000, and in addition, $124,500,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $163,400,000.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts and accessories therefor; specialized equipment and training devices; expansion of public and private

plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,749,004,000, and in addition, $806,896,000, of which $392,096,000 shall be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1984/1986" and $414,800,000 shall be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1985/1987", to remain available for obligation until September 30, 1988.

PROCUREMENT OF AMMUNITION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized in military construction authorization Acts or authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,858,200,000, and in addition, $215,200,000, of which $30,000,000 shall be derived by transfer from "Procurement of Ammunition, Army, 1984/1986" and $185,200,000 shall be derived by transfer from "Procurement of Ammunition, Army, 1985/1987", to remain available for obligation until September 30, 1988.

OTHER PROCUREMENT, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed two thousand four hundred and sixty-four passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, as follows:

Tactical and support vehicles, $969,197,000, and in addition, $7,400,000, of which $2,000,000 shall be derived by transfer from "Other Procurement, Army, 1984/1986" and $5,400,000 shall be derived by transfer from "Other Procurement, Army, 1985/1987";

Communications and electronics equipment, $2,731,789,000, and in addition, $39,600,000 to be derived by transfer from "Other Procurement, Army, 1985/1987";

Other support equipment, $1,272,100,000, and in addition, $12,400,000 to be derived by transfer from "Other Procurement, Army, 1985/1987";

Non-centrally managed items, $105,300,000;

And in addition, $238,000,000, of which $79,000,000 shall be derived by transfer from "Other Procurement, Army, 1984/1986" and $159,000,000 shall be derived by transfer from "Other Procurement, Army, 1985/1987";

In all: $4,809,986,000, and in addition, $297,400,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $268,400,000.

AIRCRAFT PROCUREMENT, NAVY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of aircraft, equipment including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $10,446,400,000, and in addition, $594,600,000, of which $40,000,000 shall be derived by transfer from "Aircraft Procurement, Navy, 1984/1986" and $554,600,000 shall be derived by transfer from "Aircraft Procurement, Navy, 1985/1987", to remain available for obligation until September 30, 1988: *Provided*, That $322,871,000 shall be available only for the procurement of nine new P-3C anti-submarine warfare aircraft: *Provided further*, That four P-3C aircraft shall be for the Naval Reserve.

WEAPONS PROCUREMENT, NAVY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, as follows:

Poseidon, $5,001,000;

TRIDENT I, $36,226,000;

TRIDENT II, $581,986,000;

Support equipment and facilities, $17,107,000;

Tomahawk, $724,804,000;

AIM/RIM-7 F/M Sparrow, $345,379,000;

AIM-9L/M Sidewinder, $125,800,000;

AIM-54A/C Phoenix, $250,700,000;

AIM-54A/C Phoenix advance procurement, $24,800,000;

AGM-84A Harpoon, $314,873,000;

AGM-88A HARM, $236,000,000;

SM-1 MR, $17,738,000;

SM-2 MR, $509,719,000;

SM-2 ER, $312,235,000;

RAM, $15,000,000;

Sidearm, $20,500,000;

Hellfire, $55,068,000;

Laser Maverick, $173,458,000;

IIR Maverick, $27,809,000;

Aerial targets, $105,600,000;

Drones and decoys, $29,400,000;

Other missile support, $12,309,000;

Modification of missiles, $64,933,000;

Support equipment and facilities, $80,210,000;

Ordnance support equipment, $16,289,000;

MK-48 ADCAP torpedo program, $417,437,000;

MK-46 torpedo program, $125,115,000;

MK-60 CAPTOR mine program, $59,600,000;

MK-30 mobile target program, $16,600,000;

MK-38 mini-mobile target program, $3,499,000;

Antisubmarine rocket (ASROC) program, $15,551,000;

Modification of torpedoes, $111,341,000, and in addition, $22,600,000 to be derived by transfer from "Weapons Procurement, Navy, 1985/1987";

Torpedo support equipment program, $70,575,000;

MK-15 close-in weapons system program, $150,146,000;

MK-75 gun mount program, $15,005,000;

MK-19 machine gun program, $1,196,000;

25mm gun mount, $5,501,000;

Small arms and weapons, $11,305,000;

Modification of guns and gun mounts, $58,117,000;

Guns and gun mounts support equipment program, $1,200,000;

Spares and repair parts, $166,601,000;

And in addition, $87,000,000 to be derived by transfer from "Weapons Procurement, Navy, 1985/1987";

In all: $5,093,733,000, and in addition, $109,600,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $238,000,000.

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

TRIDENT ballistic missile submarine program, $1,064,900,000, and in addition, $373,900,000 to be derived by transfer from the TRIDENT ballistic missile submarine program of "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

SSN-688 attack submarine program, $2,539,200,000, and in addition, $159,200,000 to be derived by transfer from the SSN-688 submarine program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", and "Shipbuilding and Conversion, Navy, 1984/1988";

Battleship reactivation program, $469,000,000 to be derived by transfer from the CVN nuclear aircraft carrier program and the Craft and prior year programs of "Shipbuilding and Conversion, Navy, 1982/

1986" and "Shipbuilding and Conversion, Navy, 1983/1987";

Aircraft carrier service life extension program, $133,400,000;

CG-47 cruiser program, $2,072,800,000, and in addition, $585,200,000 to be derived by transfer from the CG-47 cruiser program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

DDG-51 destroyer program, $124,000,000 to be derived by transfer from the DDG-51 destroyer program of "Shipbuilding and Conversion, Navy, 1985/1989": *Provided*, That none of the funds for the CG-47 cruiser program and the DDG-51 destroyer program are to be obligated or expended until the contract awards for the SPY-1 radar, AEGIS combat system integration, solid state frequency converters, propellors, and vertical package/stores conveyors are awarded on a competitive basis;

LSD-41 landing ship dock program, $384,500,000, and in addition, $18,900,000 to be derived by transfer from the LSD-41 landing ship dock program of "Shipbuilding and Conversion, Navy, 1984/1988" and "Shipbuilding and Conversion, Navy, 1985/1989";

LHD-1 amphibious assault ship program, $1,275,700,000, and in addition, $37,900,000 to be derived by transfer from the LHD-1 amphibious assault ship program of "Shipbuilding and Conversion, Navy, 1984/1988";

MCM mine countermeasures ship program, $15,000,000;

MSH coastal mine hunter program, $184,500,000;

T-AO fleet oiler program, $197,900,000, and in addition, $80,600,000 to be derived by transfer from the T-AO fleet oiler program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

T-AGOS ocean surveillance ship program, $60,900,000, and in addition, $28,700,000 to be derived by transfer from the T-AGOS ocean surveillance ship program of "Shipbuilding and Conversion, Navy, 1985/1989";

T-AG acoustic research program, $40,000,000 to be derived by transfer from the T-AGS ocean survey ship program of "Shipbuilding and Conversion, Navy, 1985/1989";

MTSD nuclear reactor training ship conversion program, $26,500,000;

T-ACS auxiliary crane ship conversion program, $74,000,000, and in addition, $8,500,000 to be derived by transfer from the T-ACS auxiliary crane ship conversion program of "Shipbuilding and Conversion, Navy, 1985/1989";

T-AVB logistic support ship program, $26,900,000;

LCAC landing craft program, $307,000,000;

Strategic sealift program, $173,100,000, and in addition, $55,300,000 to be derived by transfer from the Outfitting program of "Shipbuilding and Conversion, Navy, 1982/1986" and "Shipbuilding and Conversion, Navy, 1983/1987", the FFG-7 program of "Shipbuilding and Conversion, Navy, 1982/1986", the T-AKR program of "Shipbuilding and Conversion, Navy, 1984/1988", and the T-AH program of "Shipbuilding and Conversion, Navy, 1983/1987" and "Shipbuilding and Conversion, Navy, 1984/1988";

Service craft program, $41,800,000, and in addition, $37,700,000 to be derived by transfer from the Service craft program of "Shipbuilding and Conversion, Navy, 1984/1988";

Landing craft program, $11,000,000 to be derived by transfer from the Service craft program of "Shipbuilding and Conversion, Navy, 1984/1988";

Outfitting program, $228,500,000;

Post delivery program, $84,000,000, and in addition, $28,600,000 to be derived by transfer, from the Post delivery program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

In all: $8,648,900,000, and in addition, $2,058,500,000 to be derived by transfer, to remain available for obligation until September 30, 1990: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $241,700,000: *Provided further*, That additional obligations may be incurred after September 30, 1990, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction; and each Shipbuilding and Conversion, Navy, appropriation that is currently available for such obligations may also hereafter be so obligated after the date of its expiration: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

(INCLUDING TRANSFER OF FUNDS)

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed nine hundred and twenty-four passenger motor vehicles of which eight hundred and twenty-five shall be for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, as follows:

Ship support equipment, $910,840,000, and in addition, $13,966,000 to be derived by transfer from "Other Procurement, Navy, 1985/1987";

Communications and electronics equipment, $2,057,202,000, and in addition, $37,091,000, of which $4,470,000 shall be derived by transfer from "Other Procurement, Navy, 1984/1986" and $32,621,000 shall be derived by transfer from "Other Procurement, Navy, 1985/1987";

Aviation support equipment, $1,040,711,000;

Ordnance support equipment, $1,337,722,000; and in addition, $37,368,000, of which $1,320,000 shall be derived by transfer from "Other Procurement, Navy, 1984/1986" and $36,048,000 shall be derived by transfer from "Other Procurement, Navy, 1985/1987";

Civil engineering support equipment, $221,558,000;

Supply support equipment, $58,917,000;

Personnel and command support equipment, $375,943,000;

Spares and repair parts, $279,838,000;

Non-centrally managed items, $125,300,000;

And in addition, $224,337,000, of which $70,000,000 shall be derived by transfer from "Other Procurement, Navy, 1984/1986" and $154,337,000 shall be derived by transfer from "Other Procurement, Navy, 1985/1987";

In all: $5,682,694,000, and in addition, $312,762,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $725,337,000.

PROCUREMENT, MARINE CORPS

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed two hundred and three passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $1,610,749,000, and in addition, $85,717,000 to be derived by transfer from "Procurement, Marine Corps, 1985/1987", to remain available for obligation until September 30, 1988.

AIRCRAFT PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $20,722,700,000, and in addition, $1,458,300,000, of which $367,000,000 shall be derived by transfer from "Aircraft Procurement, Air Force, 1984/1986" and $1,091,300,000 shall be derived by transfer from "Aircraft Procurement, Air Force, 1985/1987", to remain available for obligation until September 30, 1988: *Provided*, That none of the funds in this Act may be obligated on B-1B bomber production contracts if such contracts would cause the production portion of the Air Force's $20,500,000,000 estimate for the B-1B bomber baseline costs expressed in fiscal year 1981 constant dollars to be exceeded: *Provided further*, That the Secretary of the Air Force shall establish during fiscal year 1986 a competition for the procurement of fighter aircraft to meet the requirements of the Active and Reserve forces of the Air Force; such competition shall be among all

suitable aircraft; and procurement of tactical fighter aircraft for the Air Force for fiscal year 1986 shall be carried out in accordance with all applicable provisions of law, including section 136a (relating to the Director of Operational Test and Evaluation), section 139c (relating to independent cost estimates), and chapter 137 (relating to competition in contracting), of title 10, United States Code: *Provided further,* That $20,000,000 appropriated in fiscal year 1984 for procurement of C-130H aircraft shall be available only to buy one additional C-130H aircraft for the Air Force Reserve: *Provided further,* That $20,000,000 appropriated in fiscal year 1985 for procurement of C-130H aircraft shall be available only to buy one additional C-130H aircraft for the Air Force Reserve.

MISSILE PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $8,043,527,000, and in addition, $155,000,000 to be derived by transfer from "Missile Procurement, Air Force, 1985/1987", to remain available for obligation until September 30, 1988: *Provided,* That the number of MX missiles deployed at any time in existing Minuteman silos may not exceed 50, and that funds appropriated by this or any other Act may not be used—

(1) to modify, or prepare for modification, more than 50 existing Minuteman silos for the deployment of MX missiles;

(2) to acquire basing sets to modify more than 50 existing Minuteman silos for the deployment of MX missiles; or

(3) to procure long-lead items for the deployment of more than 50 MX missiles:

*Provided further,* That unless a basing mode for the MX missile other than existing Minuteman silos is specifically authorized by legislation enacted after the date of the enactment of this Act or the Department of Defense Authorization Act, 1986, whichever first occurs, after procurement of 50 MX missiles for deployment in existing Minuteman silos—

(1) further procurement of MX missiles shall be limited to those missiles necessary to support the operational test program and for the MX missile reliability testing program; and

(2) during fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured for such purposes.

OTHER PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed eight hundred and forty-nine passenger motor vehicles of which eight hundred and one shall be for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, as follows:

Munitions and associated equipment, $1,078,515,000, and in addition, $10,800,000 to be derived by transfer from "Other Procurement, Air Force, 1985/1987";

Vehicular equipment, $320,869,000;

Electronics and telecommunications equipment, $2,544,608,000, and in addition, $8,858,000 to be derived by transfer from "Other Procurement, Air Force, 1985/1987";

Other base maintenance and support equipment, $4,466,044,000;

Non-centrally managed items, $54,700,000;

And in addition, $327,818,000, of which $116,027,000 shall be derived by transfer from "Other Procurement, Air Force, 1984/1986" and $211,791,000 shall be derived by transfer from "Other Procurement, Air Force, 1985/1987";

In all: $7,890,918,000, and in addition, $347,476,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided,* That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $573,818,000: *Provided further,* That no obligation may be incurred for the procurement of 30mm armor piercing ammunition unless there is component breakout for the depleted uranium penetrator.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces, as follows:

Army National Guard, $165,000,000;

Air National Guard, $192,000,000, and in addition, $8,000,000 to be derived by transfer from "Aircraft Procurement, Air Force, 1985/1987";

Naval Reserve, $45,000,000;

Marine Corps Reserve, $60,000,000;

Air Force Reserve, $120,000,000;

In all: $582,000,000, and in addition, $8,000,000 to be derived by transfer, to remain available for obligation until September 30, 1988.

PROCUREMENT, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed four hundred and ninety passenger motor vehicles of which two hundred and fifty-one shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,181,869,000, and in addition, $36,000,000, of which $15,000,000 shall be derived by transfer from "Procurement, Defense Agencies, 1984/1986" and $21,000,000 shall be derived by transfer from "Procurement, Defense Agencies, 1985/1987", to remain available for obligation until September 30, 1988.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title III?

Mr. STRATTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage in a colloquy with the distinguished gentleman from Pennsylvania [Mr. MCDADE].

Mr. Chairman, this bill contains appropriations for only a few line items in the procurement accounts where authorization was not contained in S. 1160, the Defense Authorization Act for fiscal year 1986. As chairman of the Procurement Subcommittee of the Armed Services Committee, and a member of the Authorization Conference Committee, I would like to draw attention to one line item, the 120mm mortar for the U.S. Army. My desire is to receive assurances from the gentleman from Pennsylvania that the intent of the authorization conference report is not negated by the actions of the appropriations bill.

Mr. Chairman, I yield to the gentleman for his response.

Mr. MCDADE. Mr. Chairman, at this point, I would like to respond to the comments of the gentleman from New York. First, let me say that on this issue—as so many others that come before his committee—the gentleman from New York has identified a key need, in this case, one having to do with the Army, and has acted responsibly in trying to assure that both the foot soldier and the American taxpayer are best served. I will assure the gentleman that the actions of our committee with respect to the 120mm mortar are in no way intended to negate or adversely affect the action taken by the authorization conference. In fact, I believe that the gentleman and I share the same goal—namely, to encourage the Army to come to grips with this issue, which it has been struggling with for well over 1 year now—and also, to ensure that the issue is dealt with in as comprehensive and as rapid a fashion as possible.

With that in mind, we provided funds for this purpose so that the Army could, if need be, be in a position to move out on this program as quickly as possible. We most certainly did not intend for the Army to do so, without notifying and consulting with the authorizing committees.

Mr. STRATTON. I thank the gentleman for his remarks. I would like to take the opportunity to reiterate the

position of the authorization conference concerning the 120 mm mortar program.

The authorization conferees strongly supported the objective of modernizing the Army's inventory of mortars, and introducing a new 120 mm mortar. But, the conferees could not support authorization of appropriations for procurement at this time because the 120 mm mortar program lacks stability in terms of requirements and acquisition strategy. Members of the other body, Senators GOLDWATER and NUNN believed that the authorization bill should establish a set of criteria for execution of the Army's 120 mm mortar program, and the conferees indicated support for a future reprogramming once the Army satisfied the criteria for execution of the program.

The criteria included in the authorization bill include four simple steps that the Army must take to ensure a stable program: First, a master plan for mortars provided to the Congress; second, competition ensured amongst all of the potential bidders; third, the Army provides for the purchase and validation of the technical data package for manufacture in the United States; and fourth, the Army conducts a cost-effectiveness analysis for the domestic manufacturing of the winning 120 mm technical data package. This analysis, which will be in accordance with existing statute—the Arsenal Act—should include an appraisal by the U.S. Army's arsenal system.

I understand that these steps will not be completed until sometime in 1986. Thus, the authorization conferees believed that a reprogramming would be the best approach to ensuring that stable program was progressing.

I appreciate the opportunity to clarify the record and note that the intent and the logic of the authorization conferees has not been negated by the appropriations of funds for this item. We believe that the Army must continue to abide by existing statute, and structure an acquisition program that will meet the soldier's needs, and will ultimately make sense.

□ 1205

Mr. McCLOSKEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the gentleman from Florida [Mr. CHAPPELL] to engage in a brief colloquy regarding the urgent need to establish a full-time, single hatted surgeon in the U.S. European Command.

Mr. CHAPPELL. I would be happy to do so, Mr. Chairman, if the gentleman will yield.

Mr. McCLOSKEY. I want to commend the gentleman for the language included in your committee report which directs the designation of a EuCom surgeon in the grade of 0-7—major general—not later than June 23, 1986. I have recently introduced legislation directing the Secretary of Defense to establish such a position. The shortcomings in joint planning in Europe were the focus of a hearing held on September 18 by the Armed Services Subcommittee on Investigations, chaired by the gentleman from Alabama [Mr. NICHOLS]. Currently, the position of European Command surgeon is a part-time job held by the senior Air Force or Army surgeon in Europe. It is abundantly clear that overseeing U.S. medical plans and operations in Europe is a full-time job by itself and cannot be properly fulfilled on a part-time basis.

Moreover, the present dual hatted arrangement encourages identification with a particular service rather then with overall medical capabilities. It is my feeling that the European Command surgeon should be given clear and unequivocal directive authority over the service components' medical elements in peacetime, as well as in wartime.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, I fully concur with the gentleman's concerns. The establishment of a full-time, single-hatted surgeon's slot in the U.S. European Command was one of the principal recommendations of the April 1984 Zimble Commission Report which identified a multitude of shortcomings in joint medical readiness planning in the European Command. Eighteen months later, that vital recommendation has not yet been implemented.

Mr. HILER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask my distinguished colleague, the gentleman from Pennsylvania [Mr. MCDADE], if he would engage in a colloquy with me.

Mr. McDADE. Mr. Chairman, if the gentleman will yield, I say to my colleague that I am delighted to do so.

Mr. HILER. Mr. Chairman, I wish to congratulate both the gentleman from Pennsylvania [Mr. MCDADE] and our esteemed colleague, the gentleman from Florida [Mr. CHAPPELL], for their fine work on this appropriations bill as chairman and ranking minority member of the Defense Subcommittee.

Mr. Chairman, I rise to seek clarification, if I may, on the committee's report language with respect to the extension of the current multiyear contract for 5-ton trucks authorized by the House Armed Services Committee, and approved yesterday in action on the conference report.

That extension was authorized as an insurance policy, if you will, to avoid a gap in production of this vehicle which is in critically short supply to our armed services at this time. My perception of the Appropriations Committee's report language is that the committee would prefer that this extension to the current contract not be utilized if 5-ton trucks could be produced under the new contract. Is this correct?

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I thank the gentleman from Indiana for raising a very important point of clarification. While the committee has stated that it expects that the extension would not be used, the gentleman will note that this expectation is contingent upon a very important factor—that the milestones be met for source selection and letting the new follow-on 5-year multiyear contract. It would not be the committee's wish that there be a production gap, especially since this could have the unfortunate effect of costing the taxpayers more money in the long run.

Mr. HILER. I am relieved to hear the gentleman's assurances. The 5-ton truck program, while very unglamorous and perhaps unexciting, has been one of our most cost-effective and reliable. And, as you know, our armed services has a 12,000-truck shortfall now, a fact that was underscored in testimony before the Armed Services Committee's readiness panel by Brig. Gen. John Greenway. In addition to this shortfall, the addition problem with a production gap would be the additional cost to the taxpayers, as my colleague has already pointed out. This cost would result from shutting down suppliers throughout the country and then gearing back up for production later.

It is true, as the committee notes, that the Army expects to award the new contract in the first half of 1986. We hope the milestones for source selection and contract award will be met. However, it is important to take into account also the time involved in testing and production lead time, especially since there are major component changes in the new truck, such as the engine.

So, my understanding then is that the committee, in its report language, did not mean to preclude altogether the use of the extension to the current contract, and that in fact the committee would not preclude it if it became necessary in order to avoid a production gap. What the committee meant is that we should not be building the old trucks, when the time comes that we can build new ones.

Mr. McDADE. That is correct.

Mr. HILER. Mr. Chairman, I thank the gentleman from Pennsylvania.

The CHAIRMAN pro tempore (Mr. MOAKLEY). Are there any other amendments to title III?

AMENDMENT OFFERED BY MR. FRANK

Mr. FRANK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRANK: On page 36, line 6, strike out "$8,043,527,000" and insert in lieu thereof "$6,297,527,000".

Mr. FRANK. Mr. Chairman, the Chair was moving with its usual efficiency to the point where I was not quite expecting to be ready at this point.

This is a very straightforward amendment. I think today we can begin Gramm-Rudman deficit-reduction scorekeeping, because in the bill that is before us $1,700 million is allocated for buying 12 MX's that no one thinks we need.

My amendment is very simple. It reduces that amount from $8 billion to $6.2 billion. It takes $1.7 billion out, removes it from the deficit, saves it, and saves the interest on it. It just plain flat out cuts the deficit. What it says is that we will not build 12 MX missiles that we were going to build.

Let me just talk about the history of the MX. We have had proposals to build 200, we have had proposals to build 100, and we have fought about it and not fought about it. Then in the House budget we said, "Let's not build any more than the 40 we are already committed to."

Then it went to the other body, and the other body said, "Let's go to 50, but that will be the end of it; 50, and that will be the end of the program forever."

In conference we did one of our usual compromises. The House said 40, the other body said 50; we added 40 to 50, divided by 2, and came up with 50.

The point I would make, however, is this: There is no strategic argument whatever for the 12 additional missiles. That is 10 plus 2 spares, spare missiles—spare missiles like spare tires. One could blow out, and you have a spare. It is kind of hard to call AAA to come and fix it.

□ 1215

So we are being asked here—let us review the bidding. It is agreed by both Houses, it was agreed in the authorization bill that we adopted yesterday that we would stop this program at 50 operational missiles. No one, no one with the possible exception of Caspar Weinberger, and it would take him some time, thinks it makes any strategic sense to have 50 versus 40.

What good is it? Remember, we have agreed, these are the last 10 we are going to build of the MX. No one has ever advocated a strategy for 50 MX's.

What good would 10 more MX's do, to go from 40 to 50?

I have thought about this. I think if we were going to go to war with Scandinavia, those extra 10 might be useful, but you might have to do a little side shot at Iceland; but I say it is a very nice country. They are friendly people, a member of NATO. I do not anticipate our country having any fight with them. I do not think we are going to go to war with Scandinavia.

There is no need for these missiles. So here is where we are. We have got competing proposals about reducing the deficit. In this bill there is $1,700,000,000, much more than the housing programs we fought about, more than a lot of the other programs in total that we fight about; $1.7 billion to build 12 MX's for which we have no use.

So what Members get today is a free Gramm-Rudman deficit reduction scorecard vote, because you can kill the $1.7 billion and no one is going to tell you that you have damaged our national security.

Now, it used to be that the MX was a bargaining chip, but we are not talking buffalo chips today when we talk about these 10 MX missiles, because we are beyond that stage. The new bargaining chip is the SDI, the strategic defense initiative. When is the last time you heard Mr. Kampelman, Mr. Tower, Mr. GLICKMAN say that we need 10 additional MX's, because if we only have 40, the Russians will not listen, but if we have 50, they will listen?

We made a political compromise. That is our job, and that is what we do. We said no more.

The Senate said, well, some more. We compromised on 50. No one thinks they are needed.

So what we have is an agreement put through here without any question yesterday in the authorization to cap the MX Program at 50; so the only question we have before us, remember, we have not decided, and my amendment does not touch the language leaving that cap in there, and that cap was also in the authorization, so the only question before us today is should we cap the MX Program forever at 40, or should we cap it forever at 50? If we cap it at 50, rather than 40, we spend $1.7 billion. If we cap it at 40, we save $1.7 bilion. You are already substantially ahead of the game in reducing the deficit and at no strategic cost, because there exists nowhere in the Pentagon, not anywhere is there an argument that says it makes sense to go from 40 to 50.

You can make a strategic argument that we should go from 40 to 100, but that is not contemplated.

The choices are, do we build 10 more MX missiles?

And you know why we got to 50? Because that is the way the political compromise process works out. They went to the other body, and some said more and some said less, and they struck a deal. I do not say that negatively. That is the only way you can function around here.

We honored that deal in the authorization. Now the question comes, we are talking real money. I cannot think of many other places where we are going to seriously cut $1.7 billion. It might be nice to have the 10 more MX's than not. The cement masons have not been doing well these days. They could get 10 more sites, and they could pour a lot of cement, and that would be good for them; but if we are serious about deficit reduction, how can you talk about spending the $1.7 billion to go from 40 to 50, for which there is no strategic argument?

So we have here, I think, the most clear cut deficit reduction vote we are going to get this weekend. I am confident that we are going to begin our deficit reduction today.

Mr. CHAPPELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to make it perfectly clear what this amendment seeks to do is to take out all the funds for the MX Missile Program.

The House has agreed to cap the MX deployment at 50 missiles by passing the defense authorization conference bill on yesterday. What is in this bill is exactly what is in the authorization bill. That deployment cap is in this bill.

That position has been reached after much consideration and debate, stretching out over several years.

Any deployment, no matter what its size, requires a large number of test missiles in addition to operational missiles. Those test missiles must be fired periodically over a span of many years to verify continued operational readiness.

The Congress has already funded 42 operational missiles in previous years, and even if a lesser number than 50 missiles is deployed, we must build a number of test vehicles to support that deployment. Those test missiles must be funded and produced over a period of several years.

If this amendment is agreed to, the effect will be a total break in production, because test missiles will still have to be built next year, in fiscal year 1987.

This kind of start-stop leads only to inefficiency and waste, and the amendment will simply add substantial costs to the program.

Mr. Chairman, I seriously urge the defeat of this amendment.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I would like to point out that in testimony before the Armed Services Committee that our negotiators at Geneva pointed out that 50 would be the minimum number of MX missiles that would be

acceptable as far as their position is concerned.

Mr. CHAPPELL. Mr. Chairman, let me make this further clarification. The amendment removes not only the funding for procurement of 12 MX missiles, but a good deal more. It removes funding for modifying the Minuteman silos which are to receive the missiles already funded in fiscal years 1984 and 1985.

It removes funds for support equipment.

The effect of the amendment would be to halt deployment of missiles already funded, and I think it would be a serious, serious mistake. I urge the defeat of the amendment.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. Yes; I yield to the gentleman.

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding.

The best information we get, and I realize that you get information from one person and then when you use it for that purpose, sometimes it changes, we were told that this is what we seek to do, we simply are trying to do away with the new MX missiles.

Now, the gentleman says that we need some test missiles. My understanding and up until the moment my amendment was offered was that we were told there were going to be 10 new operational missiles and two tests in this proposal; so most of what we were seeking to get rid of were the operational ones.

If at some future point you need testing missiles, you could get them.

But the fundamental point we have is this. The other gentleman from Florida said, well, the negotiators in Geneva said 50 was a minimum. Yes; they said 50 was a minimum after the deal was cut for 50. They were called in retroactively to approve it.

No one, no one in the strategic reaches of the Pentagon, the State Department, or the Arms Control Agency ever argued for 50 until that was the best they could get, and then they put a retroactive clause on it.

Yes; it would be nicer to have some than not, but how can you talk seriously about cutting Medicare, cutting Medicaid, cutting farm supports for people who are struggling, cutting every other program of the Federal Government, which is what Gramm-Rudman does, and then you spend $1.7 billion for 10 missiles for which there is no strategic argument?

We talk about making hard choices. This is not even a hard choice. It is a moderately difficult one, and I hope we make it the right way.

Mr. CHAPPELL. Mr. Chairman, I strongly urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRANK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 211, noes 208, not voting 15, as follows:

[Roll No. 377]

AYES—211

| | | |
|---|---|---|
| Ackerman | Green | Perkins |
| Annunzio | Guarini | Petri |
| Anthony | Gunderson | Pickle |
| Applegate | Hall (OH) | Rahall |
| Atkins | Hamilton | Rangel |
| AuCoin | Hawkins | Richardson |
| Barnes | Hayes | Ridge |
| Bates | Heftel | Roberts |
| Bedell | Henry | Rodino |
| Beilenson | Hertel | Roe |
| Bennett | Hopkins | Roemer |
| Bereuter | Horton | Rostenkowski |
| Berman | Howard | Roth |
| Biaggi | Hughes | Roukema |
| Boehlert | Jacobs | Roybal |
| Boggs | Jeffords | Russo |
| Boland | Jenkins | Sabo |
| Bonior (MI) | Johnson | Savage |
| Bonker | Jones (NC) | Saxton |
| Borski | Jones (OK) | Scheuer |
| Bosco | Kanjorski | Schneider |
| Boucher | Kaptur | Schroeder |
| Boxer | Kastenmeier | Schumer |
| Brown (CA) | Kennelly | Seiberling |
| Bruce | Kildee | Sensenbrenner |
| Bryant | Kleczka | Sharp |
| Burton (CA) | Kostmayer | Sikorski |
| Carper | LaFalce | Sisisky |
| Carr | Lantos | Slattery |
| Chandler | Leach (IA) | Smith (FL) |
| Clay | Lehman (CA) | Smith (IA) |
| Coelho | Lehman (FL) | Smith (NE) |
| Conte | Leland | Smith (NJ) |
| Conyers | Levin (MI) | Snowe |
| Coughlin | Levine (CA) | Solarz |
| Coyne | Lightfoot | St Germain |
| Crockett | Lipinski | Staggers |
| Daschle | Long | Stangeland |
| Dellums | Lowry (WA) | Stark |
| Dingell | Luken | Stokes |
| DioGuardi | Lundine | Studds |
| Dixon | MacKay | Swift |
| Donnelly | Markey | Synar |
| Dorgan (ND) | Martinez | Tauke |
| Downey | Matsui | Torres |
| Durbin | Mavroules | Torricelli |
| Dwyer | Mazzoli | Towns |
| Dymally | McCloskey | Traficant |
| Early | McHugh | Traxler |
| Eckart (OH) | McKernan | Udall |
| Edgar | McKinney | Vento |
| Edwards (CA) | Meyers | Visclosky |
| Evans (IA) | Mikulski | Volkmer |
| Evans (IL) | Miller (CA) | Walgren |
| Feighan | Miller (WA) | Watkins |
| Florio | Mineta | Waxman |
| Foglietta | Mitchell | Weaver |
| Foley | Moakley | Weiss |
| Ford (MI) | Moody | Wheat |
| Frank | Morrison (CT) | Whittaker |
| Garcia | Mrazek | Williams |
| Gejdenson | Nowak | Wirth |
| Gephardt | Oakar | Wise |
| Gibbons | Oberstar | Wolpe |
| Glickman | Obey | Wright |
| Gonzalez | Olin | Wyden |
| Goodling | Owens | Yates |
| Gordon | Panetta | Young (MO) |
| Gradison | Pease | Zschau |
| Gray (IL) | Penny | |
| Gray (PA) | Pepper | |

NOES—208

| | | |
|---|---|---|
| Akaka | Badham | Bevill |
| Alexander | Barnard | Bilirakis |
| Anderson | Bartlett | Billey |
| Andrews | Barton | Boner (TN) |
| Archer | Bateman | Boulter |
| Aspin | Bentley | Breaux |
| Brooks | Hefner | Porter |
| Broomfield | Hendon | Price |
| Brown (CO) | Hiler | Pursell |
| Broyhill | Hillis | Quillen |
| Burton (IN) | Holt | Ray |
| Bustamante | Hoyer | Regula |
| Byron | Hubbard | Reid |
| Callahan | Huckaby | Rinaldo |
| Campbell | Hunter | Ritter |
| Carney | Hutto | Robinson |
| Chapman | Hyde | Rogers |
| Chappell | Ireland | Rose |
| Chappie | Jones (TN) | Rowland (CT) |
| Cheney | Kasich | Rowland (GA) |
| Clinger | Kemp | Rudd |
| Coats | Kindness | Schaefer |
| Cobey | Kolbe | Schuette |
| Coble | Kolter | Schulze |
| Coleman (MO) | Kramer | Shaw |
| Coleman (TX) | Lagomarsino | Shelby |
| Combest | Latta | Shumway |
| Cooper | Leath (TX) | Shuster |
| Courter | Lent | Siljander |
| Craig | Lewis (CA) | Skeen |
| Crane | Lewis (FL) | Skelton |
| Daniel | Livingston | Slaughter |
| Dannemeyer | Lloyd | Smith, Denny (OR) |
| Darden | Loeffler | Smith, Robert (NH) |
| Daub | Lott | Smith, Robert (OR) |
| Davis | Lowery (CA) | Snyder |
| de la Garza | Lujan | Solomon |
| DeLay | Lungren | Spence |
| Derrick | Mack | Spratt |
| DeWine | Madigan | Stallings |
| Dicks | Martin (IL) | Stenholm |
| Dornan (CA) | Martin (NY) | Strang |
| Dreier | McCandless | Stratton |
| Duncan | McCollum | Stump |
| Dyson | McCurdy | Sundquist |
| Eckert (NY) | McDade | Swindall |
| Edwards (OK) | McEwen | Tallon |
| Emerson | McGrath | Tauzin |
| English | McMillan | Taylor |
| Erdreich | Mica | Thomas (CA) |
| Fascell | Michel | Thomas (GA) |
| Fawell | Miller (OH) | Valentine |
| Fazio | Molinari | Vander Jagt |
| Fiedler | Mollohan | Vucanovich |
| Fields | Monson | Walker |
| Fish | Montgomery | Weber |
| Flippo | Moore | Whitehurst |
| Franklin | Moorhead | Whitley |
| Frost | Morrison (WA) | Whitten |
| Fuqua | Murphy | Wilson |
| Gallo | Murtha | Wolf |
| Gaydos | Myers | Wortley |
| Gekas | Natcher | Wylie |
| Gilman | Neal | Yatron |
| Gingrich | Nichols | Young (AK) |
| Gregg | Nielson | Young (FL) |
| Grotberg | O'Brien | |
| Hall, Ralph | Ortiz | |
| Hammerschmidt | Oxley | |
| Hansen | Packard | |
| Hartnett | Pashayan | |

NOT VOTING—15

| | | |
|---|---|---|
| Addabbo | Ford (TN) | Marlenee |
| Armey | Fowler | McCain |
| Collins | Frenzel | Nelson |
| Dickinson | Hatcher | Parris |
| Dowdy | Manton | Sweeney |

□ 1240

The Clerk announced the following pair:

On this vote:

Mrs. Collins for, with Mr. Nelson of Florida against.

Mr. KOLTER changed his vote from "aye" to "no."

Messrs. DYMALLY, McKERNAN, FOLEY, CHANDLER, ANNUNZIO, and LIPINSKI changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had noticed in the RECORD an amendment which I was prepared to offer at this point in the bill. I wanted to explain that amendment and explain the considerations which led to my proposing to offer it.

The amendment, in effect, reduces by $38 million the sums in the bill which would represent the cost of modifying F-15 aircraft for the ASAT Program.

The committee has done an excellent job in most respects with this bill, and I am going to support the bill very strongly. As I said before, my amendment would have reduced by $38 million the amount in the bill which was to be used for the modification of F-15 aircraft for the ASAT Program. The committee, in its wisdom, has included in the bill language that would provide for a de facto moratorium on further tests of the ASAT system as long as the Soviet Union does not engage in further tests.

If that language is held in conference, and I have every confidence that the committee would try to do that, it would mean a further delay in the testing program and a delay in the initial operational capability of the system for the next year and under the circumstances that I have described. In other words, if the language in the bill with regard to ASAT testing is maintained in conference, there would be no need to proceed at this time with the modification of the F-15, just as there was no need to proceed with the construction of the facilities to house the F-15 which was taken out of the military construction bill in a vote by the House just a week or so ago.

So my amendment, in effect, offered an opportunity to save $38 million for a program which, if we uphold the language of the bill on ASAT tests, will not be needed for another year anyway.

I am not proposing this amendment as a threat to the ASAT Program. My whole approach to this problem is that we have what you sometimes call a window of opportunity to negotiate an arms control agreement on ASAT. It is very high on the agenda at Geneva. It will be a part of the talks between the President and his Soviet counterpart.

I do not think that we should negate the opportunity to take advantage of that window by proceeding at a pace which would lead the other side to feel that we are fully committed to go ahead no matter what happens, and thus lessen the opportunity to reach some agreement.

I am very pleased with the language in the bill on ASAT tests. That language would actually make it unnecessary to proceed with the funding of the modifications of the F-15 or the other parts of the program which I have already described.

It has been suggested that I not offer this amendment, and I have no strong desire to offer it. But on the other hand, I have a very strong desire to have the committee hold to the present ASAT language in conference.

I will not recite the gory details of what has happened to this language in past conferences. I think everybody knows that we allowed the other body to beguile us into accepting certification language which turned out to be not much of a restriction on the test procedure, and I do not want us to fall into that trap again. I think that the Members all recognize now that the certification provision that the other body would like to have is a nullity, it means nothing.

So I am prepared to withhold or to defer offering this amendment if I could get some assurances from the members of the committee that they will vigorously support the House position in conference.

I would yield to the distinguished acting subcommittee chair in that regard, knowing that he cannot give absolute assurances, but asking for his consideration in this matter.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, I want to say to the gentleman that it is the intention of the committee to hold just as closely to this bill all the way through the conference as we can, and we will certainly try to retain this language in the final bill.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. BROWN] has expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, as the gentleman knows, there are some technical problems with the ASAT. We have put in very tight restrictive language in the bill. We hope that we will be able to retain that language, and we will make our best effort to do so, recognizing, as the gentleman knows, we cannot always get everything we want. But we are going to try to hold just as closely to this bill as we can on this subject.

Mr. BROWN of California. I certainly do appreciate the good faith of the gentleman, and I know that he will do everything possible but that, of course, there are things which one individual cannot determine by himself. I look forward to the gentleman doing the best that he possibly can.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman yielding. We agree with the statement made by the acting chairman of the subcommittee.

But I would also like to point out that it would really be in our best interest not to proceed with this amendment in view of the fact that if we were to go back later to modify the F-15's, there would be a tremendous additional cost involved. Like the chairman, we are prepared to support the language of the subcommittee on ASAT.

Mr. BROWN of California. I thank the gentleman for that comment, and I recognize the good sense of it.

It is possible that we will want to continue with the testing and the bill would allow us to do so if the Soviets test. We would then need the modifications and we would need the other facilities. I recognize that. I hope the gentleman will recognize that my purpose is to allow us to exploit an opportunity for arms control here.

Mr. YOUNG of Florida. Of course.

Mr. FAZIO. Mr. Chairman, I move to strike the last word, and I do so for the purpose of engaging the acting chairman of the Appropriations Defense Subcommittee, the gentleman from Florida [Mr. CHAPPELL] in a brief colloquy.

Mr. Chairman, I'd first like to take time to congratulate the excellent job the acting chairman of the subcommittee has done in reporting out a bill under unusual circumstances. I'm sure the subcommittee chairman, Mr. ADDABBO, would concur if he could be with us here today.

As members of the Appropriations Committee are aware, Mr. CHAPPELL brought forth a defense appropriations bill this fall that accurately reflects the seriousness of the deficit crisis we face in this Nation. This bill acknowledges our continuing needs in the area of national defense while coming in at $10 billion less than the figure prescribed by the other body, a sign that fiscal responsibility must extend to all segments of the Federal budget.

There is one area of this bill, however, that many of us on the committee and in this body feel would benefit from further budgetary scrutiny. I refer to the strategic defense initiative, a source of great uncertainty in both the technological sense and, as the Geneva summit approaches, in the political sense.

I think all of us in this body will concede at this point in time that SDI begs more questions than it answers. Few if any of us can disagree with the foundation of President Reagan's dream, a desire to rid the Earth of the fear of nuclear annihilation. However, serious questions remain as to whether this aim is possible, feasible or even desirable.

For the time being, the committee has agreed that research on SDI will go forward in fiscal 1986 at a funding level of $2.5 billion. I can accept the political reality of that decision. Yet I also recall the words of the acting chairman during the debate in committee on this matter. At that time, Mr. CHAPPELL pledged his strongest effort to hold the line in conference with the other body to keep SDI funding at or near the $2.5 billion level this House will approve today.

For the edification of our colleagues who were not privy to that assertion in committee, I'd like to take this time to ask the acting chairman if I have accurately reflected his remarks to the committee on October 24.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Florida.

Mr. CHAPPELL. The gentleman is correct.

Mr. FAZIO. I thank the acting chairman. Mr. Chairman, I welcome the confirmation by the acting chairman that he will abide by his pledge to the committee with regard to SDI during conference negotiations. My colleagues should know that the other body is certain to report a higher figure for this controversial project than we have set, and that the acting chairman's actions in this regard will be in the best interest of the will of this body. I thank the acting chairman, and yield back the balance of my time.

□ 1255

Mr. BATEMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to indicate support for the statements made on the floor earlier today by the distinguished gentleman from Florida, the chairman of the Seapower Subcommittee of the Committee on Armed Services [Mr. BENNETT], and the distinguished gentlemen from Virginia [Mr. WHITEHURST] and [Mr. SISISKY], and the gentleman from California [Mr. HUNTER], and perhaps others who have and will address this point.

The point that I have reference to is the report language in the committee bill dealing with the Selected Restricted Availabilities Program of the Navy. I think this report language is off the mark and I am in strong disagreement with it.

I think it is an instance where we in the Congress impair the ability of the services to better manage their activities in keeping with the maximum accomplishment of their mission with the greatest cost effectiveness.

I would not want to rise, however, without my compliments to the distinguished acting chairman of the subcommittee [Mr. CHAPPELL], and to the gentleman from Pennsylvania [Mr. MCDADE] for their very commendable efforts in bringing this bill to the floor.

I know it is one of the more difficult pieces of legislation with which anyone has to deal, and they are indeed to be commended for it.

While commending them very genuinely and sincerely for the totality of their effort, I would hope that the Department of Defense will, before the final processes of the final enactment of the appropriation bill make its case satisfactory to the committee and its conferees with reference to the binary weapons systems, which I look upon as one of the primary national security needs of our country, as well as to the electronic equipment incidental to the SSN-21 submarine program and to the Army's light helicopter experimental program which I think is going to be necessary and will in the long run save us millions and millions of dollars as the Army determines the best way to arrive at and meet its aviation needs over the coming years.

**Mr. Chairman, I am concerned about a particular aspect of H.R. 3629 which undermines the need to recruit and retain personnel for the military services. I refer to that section in the report which would change the Navy's homeport policy causing major disruption to crews of Navy vessels and their families and major upheaval in the quality of life.**

**The Navy is directed by the language in the report to bid certain naval ship repair work, selected restricted availabilities [SRA's], on a coastwide basis. SRA's are projects of less than 6 months' duration, and customarily the work is done in the homeport of the involved vessel. The merit of restricting such projects to the homeport in terms of morale and convenience should be self-evident.**

**The language in House Report 99-332, accompanying H.R. 3629, directing the Navy to open up for bid on either coast intended for private sector shipyards, does violence to the Navy's efforts to retain critical personnel.**

**It would also have a devastating impact on not only the Navy's homeport policy which has been carefully crafted to suit the needs of a dispersed naval fleet but also on the quality of life for seamen.**

**SRA's involve work of less than 6 months' duration which is accomplished in a vessel's homeport. Seamen are thereby enabled to spend time with their families in their assigned habitat. Morale is a significant factor and should not be discounted.**

**There are also real costs in moving ships for repairs in other than homeports. These include fuel, berthing and messing for the crew, transfer of material and equipment staged in homeports, and additional administrative and supervising burdens. As the Congress endeavors to hold down and reduce the deficit, these needless additional costs cannot be ignored.**

**By bidding SRA's coastwide, additional financial burdens are placed on the seamen. When the ship's availability for repair work is less than 6 months, seamen cannot be reimbursed for travel to visit their families in their homeport and the likelihood of their finding short-term quarters, for their families to visit them in a nonhomeport area is slim.**

**The current policy allows our sailors to spend well-deserved and earned time with their families. As the Navy fleet is dispersed and new homeports are developed in the coming years, this policy will assure our sailors—as well as all other military personnel—that their quality of life continues as one of the Nation's primary objectives.**

**It would be tragic, in my belief, to pursue the referenced language in the report which accompanies the Defense appropriations bill.**

Mr. McKERNAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, upon review of title III of this bill, I have noticed that the committee has included language in this bill which would prohibit the spending of any funds for either the CG47 cruiser program or the DDG51 destroyer program until some of the Aegis and other electronic intelligence aspects of these vessels have been put out to competitive bid.

I certainly support competitive bidding, but it seems to me that this provision is a little bit like the tail wagging the dog, especially when one looks at the cruiser program, the CG47's, the last bid that was sent out for three cruisers resulted in a savings of $120 million because of the competitive bidding system that the Navy has already established in that system.

I understand that there seems to be some type of a problem on competitive bidding from some of the component parts. I support competitive bidding, but it seems to me that the committee perhaps may have overdone this particular provision.

I know that the chairman of the committee, who is unable to be here today, feels very strongly about it; I also know that there are people on the committee who are willing to try to take a second look at this particular provision, and I would like to ask the acting chairman of the subcommittee if in fact, in conference this is a provision that they would be looking at, trying to work something out on.

Mr. CHAPPELL. Will the gentleman yield?

Mr. McKERNAN. I yield to the gentleman.

Mr. CHAPPELL. I can say to the gentleman that we are cognizant of the problem and we think the best place to work it out is in conference, and I believe that we will bring back an agreement that will be, at least in some measure, satisfactory to the gentleman.

Mr. McKERNAN. I appreciate that, because I do believe that we ought to be doing as much competitive bidding as possible, and on component parts as well as on the vessels themselves, but I do not want to interfere with a program, at least from shipyard standpoint, that is saving the Government

money and is keeping people at work and on schedule.

I appreciate the efforts of the gentleman.

Mr. CHAPPELL. If the gentleman will yield further, we recognize that the language could cause some real problems with executing the basic construction contracts and we will try our best to work the problem out.

Mr. McKERNAN. I appreciate that.

**Mr. FASCELL. Mr. Chairman, last week the House Appropriations Committee voted to delete the funding for new binary nerve gas weapons. It was the right vote for the right reasons at the right time.**

**That vote states clearly that we should not fund a weapons system which:**

**Is not needed;**

**Does not work;**

**Has not been proven safe for our troops;**

**Well add billions to the deficit;**

**Will harm the NATO alliance;**

**Will increase the risk of chemical weapons proliferation and terrorist use; and**

**Will undermine chances for an arms control ban on deadly nerve gas weapons.**

**Binary chemical weapons have never been field tested and have continually failed tests—even under controlled laboratory conditions. Our closest NATO allies have rejected these weapons which, if used in Europe, would kill civilians in droves while leaving protected Soviet enemy soldiers unharmed.**

**Our own General Accounting Office has recommended for 3 consecutive years that the Congress should not appropriate the $164 million requested for this new nerve gas weapon production program.**

**Every time I've asked GAO investigators to take another look at the Bigeye bomb they turn up new technical problems and persistent test failures. The news on the Bigeye bomb and on the 155 mm. artillery projectile is bad and may get worse if we begin production. In its most recent analysis earlier this month, GAO found that the news on the Bigeye bomb and on the 155 mm. artillery projectile is bad and may get worse if we begin production. At this time, I would like to include GAO's October 2 update:**

GENERAL ACCOUNTING OFFICE,
*Washington, DC, October 2, 1985.*

Mr. DONALD A. HICKS,
*Under Secretary for Research and Engineering, Department of Defense.*

DEAR MR. HICKS: Thank you for your response to our Briefing Paper ("Status of Department of Defense Programs to Improve Defensive Chemical Warfare Capabilities," April 23, 1985) and my letter to Chairman Fascell. I was pleased to receive it, even though it revealed the existence of many misunderstandings, because it gives me two opportunities: (1) to lay out, in a quite straightforward way, the problems we are having with DoD's Bigeye program, and (2) to persuade you—if I can be sufficiently clear, logical, and convincing—to do something about them. After all, you at DoD have the responsibility for building the U.S. chemical warfare (CW) program; our role is only that of evaluator. Yours is the need for the implementer's imagination and ingenuity; ours is to help—via objective, informed criticism—to achieve the best program possible for this country in an area that I believe will be of increasing importance in the future.

I write all of the above to make clear to you that we have no quarrel with DoD's position that the United States needs a chemical deterrent capability. The point on which we differ is whether the Bigeye currently supplies that capability.

The criterion we use for deciding whether a system or program acts as a deterrent is not new. It is the famous "capability times will times perception equals deterrence." That is, for a U.S. program to deter, we must have clear capability to deliver it effectively, we must have the will to do so, and the potential deterree must perceive that we have both that capability and that will. But deterrence is a zero-sum game. If we are missing one of the three elements, we do not have deterrence. Thus, in the case of the Bigeye, if we cannot supply evidence that our capability is real, we have a problem with the deterree's perception and our deterrent effect is lost. Even more importantly, however, we have a problem with our actual readiness to fight in a chemical warfare environment, which we may need to do should deterrence fail.

That is why, as evaluators of the system DoD has proposed to fill both the deterrent and retaliatory CW role, we are trying to find evidence which can support DoD's claim that the Bigeye is ready for production. So let us begin here by looking at the evaluative evidence we have found.

First, we are concerned about the inconsistency in DoD's reporting of the successful Bigeye results it claims. In a May 21 letter, Mr. Richard Wagner reported to Congress that 216 tests had been completed; 30 of these were chemical mixing tests of which 26 were successful. Mr. Thomas Welch reported on June 24 in a letter to the Washington Post that 75 tests had been completed, of which 8 were chemical mixing tests and all 8 were successful. Now you write us (in Enclosure 2 to your letter) that there were 22 chemical mixing tests, 19 of which were successful, and 8 not included because of apparatus malfunction. We are wondering whether if one adds the 8 to 22, we then have Mr. Wagner's total of 30? But then, if only 19 were successful as you report, how can this be consistent with Mr. Wagner's 26 out of 30 claim, or Mr. Welch's 8 out of 8?

As I am sure you realize, we need to have sound information about what tests have been conducted, how they were conducted, and what data were produced if we are to act in our proper role of assessors of the program for the Congress. DoD's confusion about its own results, and apparent inability to give us consistent information reflects poorly, in our view, on the quality of its evaluation program, and the manner in which it has been implemented. In the same way, the delays and difficulties we have experienced in obtaining needed information from DoD do not reinforce the credibility of DoD's testing program. (For example, you may not be aware of it, but we still have not been given the data you cite as "readily available"—see Enclosure 3 of your letter to me—although we requested it months ago.)

Second, we are concerned about the uncertainty of the criteria used in the Bigeye evaluation program, about the way those criteria change, and about the rationale for those changes. This issue of criteria is, of course, crucial in the testing process because the way they are defined determines the capability the weapon system must meet. Yet criteria cannot be set merely to meet what the system can do. They must be valid criteria, that is, in the case of the Bigeye, they must be set high enough that meeting them will give us the capability we require to perform effectively in a retaliatory mode. Once valid criteria have been determined, if they are changed, then evidence must be supplied that the changed criteria continue to be valid, that, in other words, they do not vitiate the performance requirements. This is not clear for Bigeye. Your letter states, for example (page 2), that we are wrong in our point that off-station mixing was DoD's solution to the pressure buildup problem; you do not, however, discuss the issue of whether DoD has changed its delivery tactics and if so, why. However, a prior DoD comment to a GAO letter report (B-215969, October 30, 1984) states, "The solution to the pressure buildup problem was to change the employment concept to mix the QL and sulphur (make agent) only after the bomb is released from the aircraft. This change eliminates the risks associated with carrying a mixed Bigeye aboard an aircraft." We must conclude from this DoD statement that there was indeed a change. But if we read your letter to mean that the change in delivery tactic is not DoD's technical solution to the pressure buildup problem, then what is that solution?

You make the point that "the delivery tactic for the Bigeye is the same as for a number of conventional and nuclear weapons." While this may be true, it is irrelevant to the issue under discussion since the safety problem for the Bigeye limits it to the lofting tactic while that is not the case for conventional weapons such as the Rockeye and Gator mines where options exist for using other delivery tactics.

Finally, you state "there are no military 'relaxed criteria for purity/biotoxicity' as page 6 of the (GAO) briefing indicates." Again, we have a slippery target because, in order to determine exactly what DoD's criteria for purity/biotoxicity are, we asked DoD's Program Manager (PM) to clarify the requirement as stated in the Test and Evaluation Master Plan. In a June 24 interview, the PM confirmed our interpretation that minimum purity must be met over the entire critical time range. On July 12, the PM said that based on the starting temperature there is a corresponding interval in the 5 to 30 second range over which effective agent must be generated. Then on September 3, he told us a chemical test is considered successful if minimum purity is met at any time during the test. This latest definition explains our term "related criteria." The importance of this from an evaluation viewpoint is clear: (1) there is confusion about what the criteria actually are; (2) they seem to be in quasi-constant flux; and (3) the validity of the criteria and hence the effectiveness of the bomb are open to question if the requirement to be met for generating minimum agent purity is reduced to only one second.

I realize that you are probably already sensitive to this issue of criterion validity, a point I pick up from page 1 of your letter, where you state: "Requirements for weapons systems are carefully conceived and formulated through a disciplined process, relying heavily on military experience and judgment." Unfortunately, we have found no documentation or even an official explanation of the rationale behind the requirements and thresholds for the Bigeye bomb. In fact, we were told on more than one occasion that the minimum purity-biotoxicity criteria were not in fact based on operation-

al requirements but were arbitrarily set to higher than the unitary standard. Further, your later point (page 2) that "common sense must be used" regarding the criteria of temperature extremes does not appear to be consistent with "carefully conceived and formulated" criteria. Indeed, if these extremes are not in the expected temperature range, why are they included in the requirement?

Third, given that we are concerned both about DoD's inconsistent reporting of the Bigeye's claimed successes, and about the uncertain validity and stability of DoD's criteria for determining success, it will not come as a surprise to you that we are also concerned about the paucity of the data and analysis reported by DoD.

As you know, in our Briefing Paper, we presented only those tests subsequent to the October 1982 explosion of the Bigeye bomb. We did this because of design and operational changes in the current Bigeye bomb that were made as a result of that explosion. Our sense, given our experience with the multiyear DoD test and evaluation process, is that these data are still viable. Indeed, DoD has produced no data to supplant them, although you make the point in your letter that because our data are more than 2 years old, they are "irrelevant," and "misleading." However, in Enclosure 2, you yourself report tests dating back to February 1982, over 3 years old, before the Bigeye explosion. This tells me three things: (1) you felt the need to include 8 tests performed before October 1982; (2) you certainly would not use data you felt were "irrelevant" and "misleading"; and (3) if our data are to be called outmoded or antiquated, then (a) you must stop using even older data to make your points, or (b) generate more recent data so that we can update our analysis.

With regard to analysis, you make the point, page 2, "Further, the relationship between chemical purity and biotoxicity as shown on page 10 (the GAO Briefing Paper) cannot be considered statistically significant." Well, we know that. If you look again at our Briefing Paper you will see, in the text next to the figure (page 10) that we said precisely that. But although we are pleased to note that you concur with our analysis of a weak relationship between biotoxicity and chemical purity, we must point out that, in that case, some of the data in your Enclosure 2 are inaccurate. Two tests in the 120°F to 140°F category were deemed successes "by analogy" to a successful biotoxicity test. But given that the relationship is not statitically significant, it is inappropriate to reason "by analogy" and hence it is not clear those tests are successes if they have not been evaluated on the basis of purity level alone.

One last point. You question whether we have adhered to GAO procedures for new jobs. In fact, both our June 7 Briefing Paper and June 17 letter to Congressman Fascell were based on previous work done by GAO.

Please don't hesitate to call if you have any questions or want to talk about any of the above. It seems to me that all of these problems—inconsistent success reports, uncertain and continuously changing criteria, and paucity of data and analysis—are both important and highly remediable. I hope you will feel that improving DoD's test and evaluation process—at least insofar as the Bigeye is concerned—is a worthwhile goal.

With kind regards,

Sincerely yours,

ELEANOR CHELIMSKY,
*Director.*

**These persistent GAO findings of leaks, bulges, and holes in binary munitions, coupled with premature explosions before hitting the targets, don't reassure me that we will be providing our troops the safe, reliable weaponry that they deserve.**

**Rather than starting to produce an unproven and faulty new generation of lethal chemical weapons, the administration should be working hard to secure a comprehensive and verifiable world ban on the production of new chemical weapons. Furthermore, the risks of chemical weapons proliferation are too great to proceed with funding. Funding this program now would be sending the wrong signal at the wrong time, not only to the Soviet Union but more importantly to other countries around the world. There is an opportunity at the summit to pursue a ban on chemical weapons and to set in motion a nonproliferation agreement. This is an opportunity we should seize and not lose.**

**Our current chemical stockpile, based on DOD's own data, is adequate into the 1990's. The binary program unwittingly reduces the United States chemical deterrent against the real Soviet threat. Under the binary program, our stockpile would be smaller than it is now, and would be based here in the United States and not in Europe where it is needed as the strongest deterrent against the Soviet threat. I want to be very clear on this point. A decision to produce these faulty new chemical weapons would actually reduce our stockpile, eliminate chemical weapons deployment in Europe, and create a logistical nightmare in time of war or any military crisis in Europe.**

**In supporting the Appropriations Committee position against binary production funds, you will be voting for the strongest defense position possible.**

The CHAIRMAN pro tempore (Mr. DORGAN of North Dakota). Are there other amendments to title III of the bill?

The Clerk will read.

The Clerk read as follows:

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,431,475,000, of which $20,000,000 is available only for completing development, transitioning into low-rate initial production, and initial procurement of shipsets required to arm UH-60 Blackhawk helicopters with Hellfire missiles, and in addition, $110,530,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Army, 1985/1986", to remain available for obligation until September 30, 1987.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: Page 40, line 19, strike out "$4,431,475,000" and insert in lieu thereof "$4,436,475,000".

Mr. MONTGOMERY. Mr. Chairman, the House Committee on Armed Services authorized $10 million for unique Guard and Reserve R&D. In conference the amount was reduced to $5 million.

Army Guard and Reserve units perform more than half their training at their home station armories or home station outdoor training areas. Training is limited by time, lack of firing ranges and outdoor tactical training areas, weather, and equipment shortages. Guard and Reserve units need more training time, but it is unlikely that employers and families would permit additional training on a continued basis. More training aids and devices, and in some cases Guard and Reserve unique devices are needed as a training effectiveness multiplier.

Although the Appropriations Committee recognized that a requirement may exist for R&D for Guard and Reserve training devices, it eliminated the $5 million provided in the authorization bill because no specific program had been presented.

Mr. Chairman, I asked the Chief of the National Guard Bureau if he had a specific program for use of the $5 million. The Chief does have such a program and he considers it essential for the improvement of training effectiveness. This program, which I have shown to the Defense Appropriations Subcommittee, indicates specific ways in which the $5 million will be used. I believe it properly addresses the concerns of the committee.

Mr. Chairman, I move the adoption of my amendment to restore these funds.

Mr. CHAPPELL. Will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman.

Mr. CHAPPELL. We have examined the amendment on this side, and we think it is a good amendment, and we accept it.

Mr. MONTGOMERY. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The amendment was agreed to.

Mr. CHAPPELL. Mr. Chairman, I ask unanimous consent that the remainder of title IV of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The text of the remainder of title IV is as follows:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,462,631,000, of which $17,523,000 is available only for the Low Cost Anti-Radiation Seeker Program and $5,500,000 is available only for the Laser Articulating Robotic System, and in addition, $271,496,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Navy, 1985/1986", to remain available for obligation until September 30, 1987.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $13,217,177,000, of which $17,613,000 is available only for the Low Cost Seeker Program, and in addition, $359,000,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Air Force, 1985/1986", to remain available for obligation until September 30, 1987.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test, and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $5,943,038,000, of which $1,000,000 provided for the University Research Initiative Program is available only for research at the Oklahoma State University, Stillwater, Oklahoma; and of which $700,000 shall be available only for the purpose of carrying out, through the National Research Council of the National Academy of Sciences, a comprehensive classified study to be submitted to the Appropriations Committees of the House of Representatives and the Senate, together with an unclassified version, no later than August 30, 1987, to determine the technological feasibility and implications, and the ability to survive and function despite a pre-emptive attack by an aggressor possessing comparable technology, of the Strategic Defense Initiative Program; and in addition, $179,112,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Defense Agencies, 1985/1986", to remain available for obligation until September 30, 1987: *Provided*, That such amounts as may be determined by the Secretary of Defense to have been made available in other appropriations available to the Department of Defense during the current fiscal year for programs related to advanced research may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs to be merged with and to be available for the same time period as the appropriation to which transferred.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director of Defense Test and Evaluation in the direction and supervision of test and evaluation, including initial operational testing and evaluation; and performance of joint testing and evaluation; and administrative expenses in connection therewith; $93,500,000, to remain available for obligation until September 30, 1987.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: Page 42, line 13, strike out "$5,943,038,000" and insert in lieu thereof "$6,193,000,000".

Mr. WALKER. Mr. Chairman, this amendment is fairly straightforward, and I hope that the membership will recognize what it intends to do.

This is an amendment that raises the money for SDI back up to the authorized level; it takes the $2.5 billion that is in the bill and raises that to the $2.75 billion that the House authorized.

This is an attempt to speak to, I think, one of the crucial issues of our time. I recently spent some time in the Soviet Union talking to Soviet leaders, Soviet military officials, and Soviet scientists. It was clear throughout those discussions, even though what we were trying to do was talk to them about peaceful uses of space that all they wanted to talk about was SDI.

It was clear that they regard SDI as a major initiative of the American people that is something that they have to be concerned about. I think that on the eve of the summit that what we want to do is raise those concerns as much as possible. We want to make it clear that the American people do stand behind the strategic defense initiative; that we do feel strongly that the defense of this country is foremost in our minds.

I think at this point in our history that we have an opportunity to develop a technology which is some of the more moral technology that we have had available to us since the end of World War II. It is an opportunity to design a system which is purely defensive in nature. It is an opportunity to lay out to the world a strategic strategy that is concerned most with our own defense.

To begin the process of emasculating that program early in its research by consistently cutting back and cutting back and cutting back, I think sends all the wrong signals to the world; sends the wrong signals to the Soviet Union; it sends the wrong signals to the American people.

So, this House has made a determination, the Congress has made a determination, to authorize the level of $2.75 billion. I think that we ought to proceed ahead with that level. I would say that in this case, this does not in any way have a budgetary impact that raises about budget levels; this is simply an amendment which does get us to the question of whether or not we should proceed ahead on one of the most valuable strategic strategies that we have had before us in some time.

So, I would ask for the House to approve an amendment that would make a $250 million add on to this particular program, and I hope that the House will approve the amendment.

□ 1305

Mr. MURTHA. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I appreciate what the gentleman, Mr. WALKER, is trying to do, and I appreciate what he said, but the committee really worked diligently trying to fashion a bill which we thought would be in line with the budgetary constraints, in line with trying to reduce the deficit, and we felt that to come in at this level of 2.5 for SDI was exactly the right figure. We very carefully checked with all the people that are experts in this area, and it really, I think, is exactly the amount of money they need and they will be able to expend.

One of the problems we have had in the Defense Department is the unobligated balances. Here we have, I think, if we add this money, it would just end up in the unobligated balances, and I do not think they could really spend it efficiently or effectively in the SDI field.

So I would rise in opposition to the amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, I will tell the gentleman [Mr. MURTHA] what one of my main concerns as a member of the Committee on Science and Technology, the space committee, concerned with the civilian side, one of the things that is going to make civilian space a possibility is if we build infrastructure through the use of an SDI in space. It is going to expand our opportunities to provide jobs in space. One of the components of that is power systems. As a result of the cutbacks that this House has already made, it is my understanding the Defense Department has had to back off from the space-based laser concept. They are not able to proceed ahead with the research that should be done. So, therefore, we have had to backtrack on the whole concept of space-based lasers. That, in fact, is one of the main, prime

ingredients of building the infrastructure of which I speak.

So, while I understand that the committee did work diligently, I think you did your best, my concern is that we will not in this instance be able to do the things that should be done right now with the level of funding the committee has determined.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MURTHA. I appreciate that.

Now, let me make sure I understand. I guess I misunderstood when the gentleman was explaining the amendment. This really goes back to the original President's budget request? What does this go to?

Mr. WALKER. The gentleman is wrong. It goes to the congressionally authorized level of $2.75 billion.

Mr. MURTHA. Well, apparently the staff believes that the amendment, as drawn, goes to $3.7 billion. Their interpretation is that it would be way out of line.

Mr. WALKER. If the gentleman would yield further, the amendment at the desk is from 5943 to 6193. That is the $250 million. The gentleman evidently picked up the amendment that was on the desk here, another amendment that I had drafted. The one that was read and submitted takes us to 6193, which takes us to the congressionally authorized level for the program.

Mr. MURTHA. After conceding the fact that the gentleman is right, I think this still puts us in an area where we would have problems spending the money. It is one of those things where we have argued long, and many of us would probably have liked to see more money in the SDI field, but I really think that if we go above $2.5 billion, we would run into the problem, again, of unobligated balances and just not spending the money efficiently.

So I would have to oppose the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to my colleague from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding to me.

Mr. Chairman, let me say I rise in opposition to this amendment, and I hope that the House will defeat it and stick with the committee position.

The $2.5 billion that we are carrying in the bill is a figure that we arrived at after considerable discussion with the administration, with Members of the body on both sides of the aisle, it is not a figment of the imagination. It is a number we worked hard to present to the body in order that we can have a vigorous and healthy SDI Program that we can present to the other body as we go to conference.

I regret that my colleague from Pennsylvania has offered an amendment. I counseled with him and asked him not to. I think that the position that we have presented to the House is a reasonable one, and I hope that the amendment of my colleague from Pennsylvania will be defeated and we can go to conference at the figure that the committee has agreed upon.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is time for us to be realistic on this matter. I do not believe that any of us in this House agree that this is the time where we ought to be offering an amendment for an increase in this program. If it loses on the floor, it certainly does not help the President's position for the summit. I do not know what we hope to gain by offering the amendment here. We have spent many hours in debate on the House floor on this issue and have agreed on the $2.5 billion level. We spent much time in our subcommittee and in the full committee trying to arrive at a consensus that is realistic.

I would hope that the gentleman would withdraw the amendment and not risk the loss of a vote on a program that is so important to the President before he goes to the summit.

Now, you can argue that it should be increased when we go to conference; nobody knows that. But I do not think it is helpful to us at this point to be trying to go above what is clearly the consensus of this House of a level of $2.5 billion.

Mr. Chairman, I urge defeat of the amendment.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I hope my colleagues in the House realize, Mr. Chairman, that the amendment offered by the gentleman from Pennsylvania represents virtually a 100-percent increase in the funding for this program over last year's expenditure, from $1.4 to $2.75 billion.

There are three reasons why this is the wrong way to go. In the first instance, it is fiscal fantasy for my colleague to be talking day after day, on special orders, preaching the gospel of Gramm-Rudman-Hollings-Mack-Cheney, and others, and then come before us in the defense bill and suggest we need a 100-percent add on for a research program.

Second, a former Secretary of Defense let us know that within the Department of Defense increasing research expenditures by more than 35 percent in 1 year is a total waste of money. That agency cannot absorb the money, nor can it spend it wisely.

This is the wrong way to spend money even on a project that we might agree with.

Finally, we talk of a signal to the Soviet Union. I think my colleagues and all Members present realize that $2.5 billion is an adequate funding level, perhaps too adequate, for this program.

To suggest that we are going to $2.75 billion just means this amendment is heading for defeat, and what kind of signal does that send to Geneva?

Mr. DORNAN of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this amendment gives us a chance to discuss an aspect of our strategic defense initiative with respect to what the Soviets are spending, and have been spending, for the better part of a decade on their strategic defense.

The last amendment that we voted on took most of this House by surprise. I think no matter how we respect one another's sincere opinions on the level of the defense budget, that, with our President, the leader of the Free world, going to Geneva to begin a conference on the 19th of next month that our action today sends an incredibly poor message to the Soviet Union and in all likelihood, will burden our negotiators.

So I think the gentleman from Pennsylvania, Mr. WALKER, does us a service, to give those of us who fought for the full administration funding level of SDI a chance to discuss a new development here in the Congress since we debated SDI at length a few months ago.

When the Congressman from New York, Mr. KEMP, called for a full range of secret briefings on Soviet offenses, their missiles, their submarines, and Soviet strategic defense in the early spring, about 90 Republican Members showed up for the briefing. They started out with Soviet offensive missiles. It was an excellent briefing given to us for the first time by a new briefer taking the place of the well-respected, and now retired, John T. Hughes.

After we went through all of the Soviet offensive forces and got to Soviet strategic defense, their SDI program, three Members were left in the briefing room over in the Armed Services Committee room 3.

So I circulated a letter to the President of the United States and to "Bud" McFarland asking that we have a briefing on this House floor making it almost a command performance for all the Members. I have to congratulate our Speaker, who moved in a bipartisan way, because he was fighting for Members being educated on Soviet strategic defense. The Speaker very willingly offered that on October 10 of this month, only 19 days ago, this House floor be swept, closed, and given

over to focus on only Soviet strategic defense.

I thanked the Speaker right outside the door in his lobby. I told him that it was one of the best things I had seen both of our sides try to do in this area of defense in all of my 7 years here.

But, guess what happened? The White House and "Bud" McFarland's office, for reasons yet to be explained to me, stopped planning for October 10 with this full floor, with Members—probably 400 of us getting smart on Soviet strategic defense. McFarland's offices asked the Speaker to pull that schedule forward a whole week, without even 24 hours' notice. The briefing was given in one of the committee rooms during voting on the House floor. Many of us had other obligations during this time. Guess how many were able to show up? Not 435, not 400, not 350, but only about 60 Members showed up. Only 15 of my distinguished colleagues from the other side of the aisle.

Now, I ask you, on the other side, to ask a distinguished member from New Jersey, Mr. HUGHES, what he got out of this briefing on Soviet strategic defense. To see for the first time, the imagery of the massive Krasnoyarsk radar, among other things that cannot be discussed, that have not been released. There were miniature models on display giving reference to a small model of the Washington Monument. Much of what the Soviets were doing was overlaid by detailed models on the Mall complex here in Washington. It was a most sobering briefing. Suffice it to say that I believe the Walker amendment is a thoughtful amendment that brings out for floor discussion that there is a large group of us in this distinguished legislative body that does not believe we should have ever gone below the $3.7 billion of full funding or down through the $3.1 billion that was discussed. And it was my understanding when $2.5 billion passed that the other body, in conference, would probably bring us back up to $2.75 billion. So this $250 million proposal of Mr. WALKER, I think, is very reasonable. It sends a different signal to the Soviet Union and it gives a different burden to our negotiators than did the Frank amendment that so surprisingly passed by a whisker within the last hour.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I personally voted against the Frank amendment because I honestly believe that this was not the right time for that amendment, and I think the House was taken by surprise.

But I do believe that this amendment, the Walker amendment, is not in the best interests of going ahead with this program. I had an amendment on the authorization bill to reduce this to $2.1 billion and to restrict some very controversial demonstrations that I think will impinge upon the restrictive interpretation of the ABM agreement.

I chose not to offer that amendment because I felt at this point in time, a few weeks before the summit, it was in our best interests just to leave the figure at $2.5 billion, which the House had an opportunity to vote on during the authorization bill. There were all kinds of amendments to go higher, all kinds of amendments to go lower. The House chose to defeat all amendments and to agree to the $2.5 billion figure which was in the original authorization bill.

I must tell the gentleman from Pennsylvania that I have tried to follow this program very closely. I am a skeptic about whether we can render nuclear weapons impotent and obsolete. But I do believe that the research is necessary because of what the Soviets are doing and also because I think we ought to know what the possibilities for this are.

But I am convinced that $2.5 billion is enough money this year, and if we are simply going to throw money at this problem, we are not going to get any better results than some of the programs we have thrown money at in the past that the gentleman has taken the floor many times to discuss.

I think $2.5 billion, an increase of $1.1 billion, is a prudent pace for this program. I think it sends a strong message that this Congress supports the strategic defense initiative research.

Now, at the same time, I would hasten to say that I think this Congress still supports the ABM agreement too and wants this program conducted with strict adherence to the ABM agreement.

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I think the committeee has looked this program over. I think that the House and the committee should stay with the committee position, reject this amendment and, hopefully, there will be an opportunity to revisit the other issue that the House just voted on.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take 5 minutes.

I support SDI research. I think those of us who believe very strongly in the importance of proceeding in this line have had some significant victories. We did in the Appropriations Committee. I think that we have provided funds here through the work of the subcommittee and the full committee that put the President in a very strong position when he goes to Geneva. I think that if the gentleman from Pennsylvania persists in offering this amendment and bringing it to a vote, he runs a real risk of having exactly the opposite effect and sending the President to Geneva with a sign that he has less support than he really has.

So I would urge my colleague from Pennsylvania, as another strong supporter of SDI, to withdraw the amendment.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to my colleague, the gentleman for Oklahoma.

Mr. McCURDY. Mr. Chairman, I would like to commend my colleague, the gentleman from Oklahoma [Mr. EDWARDS], for his statement.

I have just returned from the Soviet Union. As a member of the Armed Services Committee, I found that the Soviets are very much concerned about what we are doing in SDI. If there is any single program that has brought them to the negotiating table, it is this particular program.

Now, I believe that the $2.5 billion figure which came out of the Research and Development Subcommittee and the authorizing committee, was appropriate and adequate. It was an 80-percent increase over previous funding, and is one that should be supported. We should keep it at this level. I think the gentleman raises a good point, that we do not want to destroy the consensus that we have established on this important program.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since this is probably the only time this afternoon that we shall be visiting the space defense initiative question, I do want to take this opportunity to express my concerns, concerns that others have expressed earlier, that this program be operated in accordance with the ABM Treaty as it had been generally understood until the statement of the President's national security adviser a couple of weeks ago. That ABM Treaty is one of the few successes we have to show so far in the disarmament process, and I think it would be a tragic mistake if we were to use this program and the rather surprising views of the President's national security adviser as to what the ABM Treaty means to subvert the ABM Treaty.

I agree with those who have expressed the opinion that this is a program that is worthy of funding. Obviously, there is much to be learned here. In any event, we certainly have to do much of this research, if only to know what the Soviets are doing in this area, and be able to understand what we can observe of their experiments.

But, frankly, I think the $2.5 billion that the committee has recommended

is more than enough. I had supported within the subcommittee an amendment to reduce the funding to $2.1 billion, which would have been a 50-percent increase in the program. I think it is probably all that the program can reasonably be expected to absorb in any sort of efficient way.

The committee, of course, disagreed with that and finally voted for the $2.5 billion level.

To go now to the $2¾ billion level would simply be, as has been suggested, throwing money at a problem. There is no rational basis for moving up the spending that fast. I would hope either that the amendment would be withdrawn or that the House would defeat it.

Mr. BOLAND. Mr. Chairman, I rise to support the level of funding in the fiscal year 1986 Defense appropriations bill for research on the strategic defense initiative [SDI].

This in not the first debate we have had in this Chamber on the SDI, and it certainly won't be the last. As a result of prior debates, however, I think some things are clear about the position of this body on this particular program. Some of my colleagues are not going to vote for the SDI no matter how much money is proposed, and some are going to vote whatever level of funding the President wants. I respect the sincerity of each of those viewpoints and the vigor with which they are advocated.

When all the arguments concerning no funding or full funding for SDI are made, however, I think most Members find themselves, like I do, coming down somewhere in the middle. We are willing to support research on the various concepts that make up the SDI, the question is at what level of funding. Votes taken over the last 2 years bear me out. Congress is willing to support research in this area, while reserving to itself the right to decide at a later date whether the results of that research, and all of the political and strategic concern which will have to be taken into consideration, warrant proceeding into the development phase of SDI.

We take no final vote today on this program. We will be voting on it again and again for the foreseeable future. What we decide today is how much money to invest in SDI research in fiscal 1986. That is all. The figure recommended by the Appropriations Committee, $2.5 billion, is one with which I happened to agree. It is less than the $3.7 billion the President wanted to spend this year, it is less than the $2.9 billion the Senate wanted to spend, and it even less than the $2.75 billion contained in the authorization measure we passed yesterday. It is not, however, as low as some people would like.

What are the arguments in favor of cutting below $2.5 billion? Those who advocate a lower figure cannot do so out of a belief that Congress has not discharged its responsibility to thoroughly review the President's budget request for this program and balance that request against other needs. The record of congressional action to date is clear evidence to the contrary. They cannot contest the committee's recommendation on the basis that SDI research at $2.5 billion is wasteful, while research at $2.1 billion is not. I submit that the differences between the figures are not great enough to support that conclusion. What, then, is their argument? If it is that we must get below $2.5 billion to signal congressional dissatisfaction with the President's general position on arms control, I would suggest that this is precisely the wrong time to engage in such efforts. We certainly need not rubberstamp the President's military budgets to improve his negotiating position with the Russians. That has never been my policy, and I think that a fair review of the sizable reductions contained in this bill are evidence that it is not the policy of the Appropriations Committee. I do not believe, however, that the interests of our Nation are well served by making further cosmetic reductions in the SDI, the one program that seems to have caught the attention of the Russians, on the eve of the President's first meeting with the new Soviet leader.

I do not know if the SDI will at some point work as its more vigorous proponents contend that it will. But no one else does either. You can get as many opinions from economists on the future of the GNP. Bringing some facts to bear on the technical arguments surrounding the SDI is the purpose of research. The SDI is a long-term research effort, not unlike other long-term research efforts the Congress has funded over the years in activities like the space program. My experience with that program has been that it is much better to do the necessary research as expeditiously as possible so that decisions about whether or not to proceed to the development stage can be made on the basis of fact and not conjecture. It has also been my experience that research is best accomplished in a coordinated fashion. We have been funding research efforts on SDI-related activities for a number of years. They are scattered through the defense budget and, until the advent of the SDI program, had little coordination. Placing them all under the SDI umbrella will, it seems to me, lead to a more effective and efficient use of funds.

For me, the SDI Program at this stage is an accumulation of questions: Questions about its possible utility as a defensive system and questionss about the civilian application of some of these components like lasers and mechanisms to generate power in space. I think we should have those questions answered as quickly as is practical. The $2.5 billion recommended by the committee is a level of research consistent with that aim and one which I believe merits support.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN pro tempore. Without objection, the gentleman from Florida [Mr. CHAPPELL] is recognized for 5 minutes.

There was no objection.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I certainly respect the work that has gone into the presentations here before the committee, and I do believe that the committee has studied this long and hard. I do not agree with the statements that have been made that the money could not prudently be spent on some additional work, for instance, on space-based lasers, which I do understand are being canceled.

However, in light of the compromises that have been made and the words of the gentleman from Washington, who I think most eloquently put the need to balance what we are doing here, I ask unamimous consent to withdraw the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mrs. JOHNSON. Mr. Chairman, I move to strike the last word, and I rise to engage in a colloquy with the ranking minority Member, the gentleman from Pennsylvania [Mr. McDADE].

On page 145 of the committee's report, there is a request for an analysis of the feasibility of restricting the Department of Defense to using ball bearings of foreign manufacture only. I understand this to be a clerical error and that the word "foreign" was inadvertently subsituted for the word "domestic."

Mr. McDADE. If the gentlewoman will yield, let me say that the gentlewoman is absolutely correct. The committee's intention is to obtain an analysis of the feasibility of restricting DOD to using ball bearings of domestic manufacture only, and we are grateful to the gentlewoman for bringing this to our attention.

Mrs. JOHNSON. I thank the gentleman very much, and I want to thank the gentleman from Pennsylvania [Mr. McDADE] and the gentleman from Florida [Mr. CHAPPELL] for their leadership on this matter. I call the attention of all Members interested in America's industrial base to this important study provision.

The CHAIRMAN pro tempore. Are there other amendments to title IV?

The Clerk will read.

The Clerk read as follows:

TITLE V

SPECIAL FOREIGN CURRENCY PROGRAM

For payment in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for expenses in carrying out programs of the Department of Defense, as authorized by law; $2,100,000, to remain available for obligation until September 30, 1987: *Provided*, That this appropriation shall be available in addition to other appro-

priations to such Department, for payments in the foregoing currencies.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title V?

The Clerk will read.

The Clerk read as follows:

TITLE VI

REVOLVING AND MANAGEMENT FUNDS

ARMY STOCK FUND

For the Army stock fund; $393,000,000.

NAVY STOCK FUND

For the Navy stock fund; $616,500,000.

MARINE CORPS STOCK FUND

For the Marine Corps stock fund; $37,700,000.

AIR FORCE STOCK FUND

For the Air Force stock fund; $415,900,000.

DEFENSE STOCK FUND

For the Defense stock fund; $149,700,000.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there amendments to title VI?

The Clerk will read.

The Clerk read as follows:

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $101,400,000.

INTELLIGENCE COMMUNITY STAFF

For necessary expenses of the Intelligence Community Staff; $22,083,000.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there amendments to title VII?

The Clerk will read.

The Clerk read as follows:

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 8002. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8003. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 3109 of title 5, United States Code, under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty stations and return as may be authorized by law: *Provided*, That such contracts may be renewed annually.

SEC. 8004. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 8005. Appropriations for the Department of Defense for the current fiscal year and hereafter shall be available for: (a) expenses in connection with administration of occupied areas; (b) payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (c) payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (d) leasing of buildings and facilities including payment of rentals for special purpose space at the seat of government, and in the conduct of field exercises and maneuvers or, in administering the provisions of the Act of July 9, 1942 (56 Stat. 654; 43 U.S.C. 315q), rentals may be paid in advance; (e) payments under contracts for maintenance of tools and facilities for twelve months beginning at any time during the fiscal year; (f) maintenance of defense access roads certified as important to national defense in accordance with section 210 of title 23, United States Code; (g) the purchase of milk for enlisted personnel of the Department of Defense heretofore made available pursuant to section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a), and the cost of milk so purchased, as determined by the Secretary of Defense, shall be included in the value of the commuted ration; (h) payments under leases for real or personal property, including maintenance thereof when contracted for as a part of the lease agreement, for twelve months beginning at any time during the fiscal year; (i) the purchase of right-hand-drive vehicles not to exceed $12,000 per vehicle; (j) payment of unusual cost overruns incident to ship overhaul, maintenance, and repair for ships inducted into industrial fund activities or contracted for in prior fiscal years: *Provided*, That the Secretary of Defense shall notify the Congress promptly prior to obligation of any such payments; (k) payments from annual appropriations to industrial fund activities and/or under contract for changes in scope of ship overhaul, maintenance, and repair after expiration of such appropriations, for such work either inducted into the industrial fund activity or contracted for in that fiscal year; and (l) payments for depot maintenance contracts for twelve months beginning at any time during the fiscal year.

SEC. 8006. Appropriations for the Department of Defense for the current fiscal year and hereafter shall be available for: (a) military courts, boards, and commissions; (b) utility services for buildings erected at private cost, as authorized by law, and buildings on military reservations authorized by regulations to be used for welfare and recreational purposes; and (c) exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law.

SEC. 8007. The Secretary of Defense and each purchasing and contracting agency of the Department of Defense shall assist American small and minority-owned business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by increasing, to an optimum level, the resources and number of personnel jointly assigned to promoting both small and minority business involvement in purchases financed with funds appropriated herein, and by making available or causing to be made available to such businesses, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by assisting small and minority business concerns to participate equitably as subcontractors on contracts financed with funds appropriated herein, and by otherwise advocating and providing small and minority business opportunities to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

SEC. 8008. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 8009. During the current fiscal year and hereafter:

(a) The President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of section 1512 of title 31, United States Code, whenever he deems such action to be necessary in the interest of national defense.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty subject to existing laws beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

(d) The Secretary of Defense shall immediately advise Congress of the exercise of any authority granted in this section, and shall report monthly on the estimated obligations incurred pursuant to subsections (b) and (c).

SEC. 8010. No part of the appropriations in this Act shall be available for any expense of operating aircraft under the jurisdiction of the armed forces for the purpose of profi-

ciency flying, as defined in Department of Defense Directive 1340.4, except in accordance with regulations prescribed by the Secretary of Defense. Such regulations (1) may not require such flying except that required to maintain proficiency in anticipation of a member's assignment to combat operations and (2) such flying may not be permitted in cases of members who have been assigned to a course of instruction of ninety days or more.

SEC. 8011. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in any one shipment having a net weight in excess of eighteen thousand pounds.

SEC. 8012. During the current fiscal year and hereafter, vessels under the jurisdiction of the Department of Transportation, the Department of the Army, the Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

SEC. 8013. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided,* That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps, or the National Board for the Promotion of Rifle Practice, Army, or to the appropriations provided in this Act for Claims, Defense.

SEC. 8014. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriations therefor: *Provided,* That the foregoing authority shall not be available for the conversion of heating plants from coal to oil at defense facilities in Europe: *Provided further,* That within thirty days after the end of each quarter the Secretary of Defense shall render to Congress and to the Office of Management and Budget a full report of such property, supplies, and commodities received during such quarter.

SEC. 8015. During the current fiscal year and hereafter, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the Service concerned.

SEC. 8016. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding $10,000 shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, or hand or measuring tools, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided,* That nothing herein shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions when such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or where such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within NATO so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act and with section 2457 of title 10, United States Code: *Provided further,* That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further,* That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided further,* That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

SEC. 8017. During the current fiscal year, appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by section 5901 of title 5, United States Code.

SEC. 8018. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed $12,934,000 for the current fiscal year: *Provided,* That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense: *Provided further,* That costs for military retired pay accrual shall be included within this limitation.

SEC. 8019. Of the funds made available by this Act for the services of the Military Airlift Command, $100,000,000 shall be available only for procurement of commercial transportation service from carriers participating in the civil reserve air fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: *Provided,* That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil reserve air fleet.

(TRANSFER OF FUNDS)

SEC. 8020. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $1,200,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided,* That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further,* That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

(TRANSFER OF FUNDS)

SEC. 8021. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided,* That transfers may be made between such funds in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that transfers between a stock fund account and an industrial fund account may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8022. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

SEC. 8023. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprograming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprograming is requested has been denied by the Congress.

SEC. 8024. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services under the provisions of section 1079(a) of title 10, United States Code, shall be available for reimbursement of any phy-

sician or other authorized individual provider of medical care in excess of the eightieth percentile of the customary charges made for similar services in the same locality where the medical care was furnished, as determined for physicians in accordance with section 1079(h) of title 10, United States Code.

SEC. 8025. No appropriation contained in this Act may be used to pay for the cost of public affairs activities of the Department of Defense in excess of $42,888,000: *Provided,* That costs for military retired pay accrual shall be included within this limitation.

SEC. 8026. None of the funds provided in this Act shall be available for the planning or execution of programs which utilize amounts credited to Department of Defense appropriations or funds pursuant to the provisions of section 37(a) of the Arms Export Control Act representing payment for the actual value of defense articles specified in section 21(a)(1) of that Act: *Provided,* That such amounts shall be credited to the Special Defense Acquisition Fund, as authorized by law, or, to the extent not so credited shall be deposited in the Treasury as miscellaneous receipts as provided in section 3302(b) of title 31, United States Code.

SEC. 8027. No appropriation contained in this Act shall be available to fund any costs of a Senior Reserve Officers' Training Corps unit—except to complete training of personnel enrolled in Military Science 4—which in its junior year class (Military Science 3) has for the four preceding academic years, and as of September 30, 1983, enrolled less than (a) seventeen students where the institution prescribes a four-year or a combination four- and two-year program; or (b) twelve students where the institution prescribes a two-year program: *Provided,* That, notwithstanding the foregoing limitation, funds shall be available to maintain one Senior Reserve Officers' Training Corps unit in each State and at each State-operated maritime academy: *Provided further,* That units under the consortium system shall be considered as a single unit for purposes of evaluation of productivity under this provision: *Provided further,* That enrollment standards contained in Department of Defense Directive 1215.8 for Senior Reserve Officers' Training Corps units, as revised during fiscal year 1961, may be used to determine compliance with this provision, in lieu of the standards cited above.

SEC. 8028. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1987.

SEC. 8029. None of the funds appropriated by this Act may be used to support more than 9,901 full-time and 2,603 part-time military personnel assigned to or used in the support of Morale, Welfare, and Recreation activities as described in Department of Defense Instruction 7000.12 and its enclosures, dated September 4, 1980.

SEC. 8030. All obligations incurred in anticipation of the appropriations and authority provided in this Act are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act.

SEC. 8031. None of the funds appropriated by this Act or heretofore appropriated by any other Act shall be obligated or expended for the payment of anticipatory possession compensation claims to the Federal Republic of Germany other than claims listed in the 1973 agreement (commonly referred to as the Global Agreement) between the United States and the Federal Republic of Germany.

SEC. 8032. During the current fiscal year the Department of Defense may enter into contracts to recover indebtedness to the United States pursuant to section 3718 of title 31, United States Code.

SEC. 8033. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines:

(a) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(b) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(c) where the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

*Provided,* That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8034. None of the funds appropriated by this Act shall be available to provide medical care in the United States on an inpatient basis to foreign military and diplomatic personnel or their dependents unless the Department of Defense is reimbursed for the costs of providing such care: *Provided,* That reimbursements for medical care covered by this section shall be credited to the appropriations against which charges have been made for providing such care, except that inpatient medical care may be provided in the United States without cost to military personnel and their dependents from a foreign country if comparable care is made available to a comparable number of United States military personnel in that foreign country.

SEC. 8035. None of the funds appropriated by this Act shall be obligated for the second career training program authorized by Public Law 96-347.

SEC. 8036. None of the funds appropriated or otherwise made available in this Act shall be obligated or expended for salaries or expenses during the current fiscal year for the purposes of demilitarization of surplus nonautomatic firearms less than .50 caliber.

SEC. 8037. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided,* That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further,* That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act. Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

T-700 series aircraft engines;
MK-46 torpedo program;
Bradley Fighting Vehicle transmission;
M-1 tank chassis;
M-1 tank engine;
M-1 tank fire control components; and
LHD-1 amphibious assault ships.

SEC. 8038. None of the funds appropriated by this Act which are available for payment of travel allowances for per diem in lieu of subsistence to enlisted personnel shall be used to pay such an allowance to any enlisted member in an amount that is more than the amount of per diem in lieu of subsistence that the enlisted member is otherwise entitled to receive minus the basic allowance for subsistence, or pro rata portion of such allowance, that the enlisted member is entitled to receive during any day, or portion of a day, that the enlisted member is also entitled to be paid a per diem in lieu of subsistence.

SEC. 8039. None of the funds appropriated by this Act shall be available to approve a request for waiver of the costs otherwise required to be recovered under the provisions of section 21(e)(1)(C) of the Arms Export Control Act unless the Committees on Appropriations have been notified in advance of the proposed waiver.

SEC. 8040. None of the funds appropriated by this Act shall be available for the transportation of equipment or materiel designated as Prepositioned Materiel Configured in Unit Sets (POMCUS) in Europe in excess of four division sets: *Provided,* That the foregoing limitation shall not apply with respect to any item of equipment or materiel which is maintained in the inventories of the Active and Reserve Forces at levels of at least 70 per centum of the established requirements for such an item of equipment or materiel for the Active Forces and 50 per centum of the established requirement for the Reserve Forces for such an item of equipment or materiel: *Provided further,* That no additional commitments to the establishment of POMCUS sites shall be made without prior approval of Congress.

SEC. 8041. (a) None of the funds in this Act may be used to transfer any article of military equipment or data related to the manufacture of such equipment to a foreign country prior to the approval in writing of such transfer by the Secretary of the military service involved.

(b) No funds appropriated by this Act may be used for the transfer of a technical data package from any Government-owned and operated defense plant manufacturing large caliber cannons to any foreign government, nor for assisting any such government in producing any defense item currently being manufactured or developed in a United States Government-owned, Government-operated, defense plant manufacturing large caliber cannons.

(TRANSFER OF FUNDS)

SEC. 8042. None of the funds appropriated in this Act may be made available through

transfer, reprograming, or other means for any intelligence or special activity different from that previously justified to the Congress unless the Director of Central Intelligence or the Secretary of Defense has notified the House and Senate Appropriations Committees of the intent to make such funds available for such activity.

SEC. 8043. Of the funds appropriated by this Act for strategic programs, the Secretary of Defense shall provide funds for the Advanced Technology Bomber program at a level at least equal to the amount provided by the committee of conference on this Act in order to maintain priority emphasis on this program.

SEC. 8044. None of the funds available to the Department of Defense during the current fiscal year shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

SEC. 8045. None of the funds available to the Department of Defense shall be available for the procurement of manual typewriters which were manufactured by facilities located within states which are Signatories to the Warsaw Pact.

SEC. 8046. None of the funds appropriated by this Act may be used to appoint or compensate more than 37 individuals in the Department of Defense in positions in the Executive Schedule (as provided in sections 5312-5316 of title 5, United States Code).

SEC. 8047. None of the funds appropriated by this Act shall be available to convert a position in support of the Army Reserve, Air Force Reserve, Army National Guard, and Air National Guard occupied by, or programed to be occupied by, a (civilian) military technician to a position to be held by a person in an active Guard or Reserve status if that conversion would reduce the total number of positions occupied by, or programed to be occupied by, (civilian) military technicians of the component concerned, below 66,086: *Provided*, That none of the funds appropriated by this Act shall be available to support more than 43,157 positions in support of the Army Reserve, Army National Guard or Air National Guard occupied by, or programed to be occupied by, persons in an active Guard or Reserve status: *Provided further*, That none of the funds appropriated by this Act may be used to include (civilian) military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard or Air National Guard.

SEC. 8048. (a) The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1986 or with respect to the appropriation of funds for that year.

(b) During fiscal year 1986, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(c) The fiscal year 1987 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1987 Department of Defense budget request shall be prepared and submitted to the Congress as if sections (a) and (b) of this provision were effective with regard to fiscal year 1987.

(TRANSFER OF FUNDS)

SEC. 8049. Appropriations or funds available to the Department of Defense during the current fiscal year may be transferred to appropriations provided in this Act for research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law, to be merged with and to be available for the same purposes, and the same time period, as the appropriation to which transferred.

SEC. 8050. (a) During fiscal year 1986, no funds available to the Central Intelligence Agency, Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended, directly or indirectly, for material assistance to the Nicaraguan democratic resistance including arms, ammunition, or other equipment or material which could be used to inflict serious bodily harm or death, or which would have the effect of providing arms, ammunition or other weapons of war for military or paramilitary operations in Nicaragua by any group, organization, movement or individual.

(b) Nothing in this section shall be construed to impair or affect the authority of the Nicaraguan Humanitarian Assistance Office to administer humanitarian assistance to the Nicaraguan democratic resistance of the nature and to the extent provided by, and under the terms and conditions specified in, the Supplemental Appropriations Act, 1985 (Public Law 99-88).

SEC. 8051. None of the funds made available by this Act shall be used in any way for the leasing to non-Federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector: *Provided*, That nothing in this section shall affect authorized and established procedures for the sale of surplus aircraft or vehicles: *Provided further*, That nothing in this section shall prohibit such leasing when specifically authorized in a subsequent Act of Congress: *Provided further*, That nothing in this section shall prohibit the extension or renewal of such leases that were first entered into prior to December 29, 1981.

SEC. 8052. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8053. No funds available to the Department of Defense during the current fiscal year may be used to enter into any contract with a term of eighteen months or more or to extend or renew any contract for a term of eighteen months or more, for any vessel, aircraft or vehicles, through a lease, charter, or similar agreement without previously having been submitted to the Committees on Appropriations of the House of Representatives and the Senate in the budgetary process. Further, any contractual agreement which imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the Government exceeding 50 per centum of the original purchase value of the vessel, aircraft, or vehicle must have specific authority in an appropriation Act for the obligation of 10 per centum of such termination liability.

SEC. 8054. None of the funds appropriated in this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, or excessing of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii.

SEC. 8055. None of the funds made available by this Act shall be available to operate in excess of 247 commissaries in the contiguous United States.

SEC. 8056. None of the funds provided in this Act shall be used to procure aircraft ejection seats manufactured in any foreign nation that does not permit United States manufacturers to compete for ejection seat procurement requirements in that foreign nation. This limitation shall apply only to ejection seats procured for installation on aircraft produced or assembled in the United States.

SEC. 8057. No more than $189,300,000 of the funds appropriated by this Act shall be available for the payment of unemployment compensation benefits.

SEC. 8058. None of the funds appropriated by this Act should be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 8059. None of the funds appropriated by this Act shall be used for the transfer of the Department of Defense Dependents Schools (DODDS) to the Department of Education.

SEC. 8060. No part of the funds appropriated herein shall be available for the purchase of more than 50 per centum of the fiscal year requirements for aircraft power supply cable assemblies of each military facility from industries established pursuant to title 18, United States Code: *Provided*, That the restriction contained herein shall not apply to small purchases in amounts not exceeding $10,000.

SEC. 8061. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: *Provided*, That the standards of such training with respect to the treatment of animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

SEC. 8062. None of the funds made available by this Act shall be used to initiate full-scale engineering development of any major defense acquisition program until the Secretary of Defense has provided to the Committees on Appropriations of the House and Senate—

(a) a certification that the system or subsystem being developed will be procured in quantities that are not sufficient to warrant development of two or more production sources, or

(b) a plan for the development of two or more sources for the production of the system or subsystem being developed.

SEC. 8063. None of the funds appropriated by this Act shall be available to pay any member of the uniformed service for unused accrued leave pursuant to section 501 of title 37, United States Code, for more than sixty days of such leave, less the number of

days for which payment was previously made under section 501 after February 9, 1976.

SEC. 8064. Within the funds made available under title II of this Act, the military departments may use such funds as necessary, but not to exceed $4,700,000, to carry out the provisions of section 430 of title 37, United States Code: *Provided*, That none of the funds appropriated to the Department of Defense for the travel and transportation of dependent students of military personnel stationed overseas shall be obligated for a transportation allowance for travel within or between the contiguous United States, other than to or from any Military Airlift Command aerial port of entry located in the immediate direction of the member's overseas duty station.

SEC. 8065. Within funds available under title II of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense may, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States, who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more than two hundred miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents or brothers and sisters, as the case may be, are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

SEC. 8066. None of the funds available to the Department of Defense may be used for the floating storage of petroleum or petroleum products except in vessels of or belonging to the United States.

SEC. 8067. Of the funds made available to the Department of the Air Force in this Act, not less than $3,000,000 shall be available for the Civil Air Patrol.

SEC. 8068. Funds available to the Department of Defense may be used by the Department of Defense for the use of helicopters and motorized equipment at Defense installations for removal of feral burros and horses.

SEC. 8069. On or after September 30, 1985, none of the funds appropriated by this Act shall be available to execute an agreement for continuation pay authorized under section 311 of title 37, United States Code, with an officer of the Army or Navy in the Dental Corps or an officer of the Air Force designated as a dental officer who is serving in a dental specialty which is manned in excess of 95 per centum of the authorized strength for that specialty: *Provided*, That an agreement for such continuation pay may be executed with such an officer if the agreement provides that such officer will receive only 50 per centum of the amount of the continuation pay to which the officer would otherwise be entitled under section 311 of title 37: *Provided further*, That the foregoing limitation shall cease to be applicable upon the enactment of legislation repealing or amending the continuation pay provisions currently authorized by section 311 of title 37.

(TRANSFER OF FUNDS)

SEC. 8070. Not to exceed $100,000,000 may be transferred from the appropriation "Operation and Maintenance, Defense Agencies" to operation and maintenance appropriations under the military departments in connection with demonstration projects authorized by section 1092 of title 10, United States Code: *Provided*, That the Secretary of Defense shall promptly notify the Congress of any such transfer of funds under this provision: *Provided further*, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act.

SEC. 8071. None of the funds available for Defense installations in Europe shall be used for the consolidation or conversion of heating facilities to district heating distribution systems in Europe: *Provided*, That those facilities identified by the Department of the Army as of April 11, 1985, as being in advanced stages of negotiations shall be exempt from such provision.

SEC. 8072. None of the funds appropriated by this Act shall be available to compensate foreign selling costs as described in Federal Acquisition Regulation 31.205-38(b) as in effect on April 1, 1984.

SEC. 8073. Of the funds appropriated for the operation and maintenance of the Armed Forces, obligations may be incurred for humanitarian and civic assistance costs incidental to authorized operations, and these obligations shall be reported to Congress on September 30, 1986: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance in the Trust Territories of the Pacific Islands by using Civic Action Teams.

SEC. 8074. Notwithstanding any other provision of law, the Secretaries of the Army and Air Force may authorize the retention in an active status until age sixty of any officer who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

Sec. 8075. None of the funds available to the Department of Defense may be used to transport any chemical munitions into the Lexington-Blue Grass Army Depot for purposes of future demilitarization.

SEC. 8076. None of the funds appropriated by this Act may be obligated or expended for the purposes delineated in section 1002(e)(2) of the Department of Defense Authorization Act, 1985, without the prior notification to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8077. None of the funds provided by this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 8078. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1986 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

SEC. 8079. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

SEC. 8080. It is the sense of the Congress that—(a) the President shall inform and make every effort to consult with other member nations of the North Atlantic Treaty Organization, Japan, and other appropriate allies concerning the research being conducted in the Strategic Defense Initiative program. (b) The Secretary of Defense, in coordination with the Secretary of State and the Director of the Arms Control and Disarmament Agency, shall at the time of the submission of the annual budget presentation materials for each fiscal year beginning after September 30, 1984, report to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and Foreign Affairs of the House of Representatives on the status of the consultations referred to under subsection (a).

SEC. 8081. It is the sense of Congress that the President should insist that the pertinent member nations of the North Atlantic Treaty Organization meet or exceed their pledges for an annual increase in defense spending of at least 3 per centum real growth and should insist that Japan further increase its defense spending during fiscal years 1986 and 1987 in furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

SEC. 8082. None of the funds available to the Department of Defense shall be obligated or expended to contract out any activity currently performed by the Defense Personnel Support Center in Philadelphia, Pennsylvania: *Provided*, That this provision shall not apply after notification to the Committees on Appropriations of the House of Representatives and the Senate of the results of the cost analysis of contracting out any such activity.

SEC. 8083. Notwithstanding any other provision of this Act, no funds appropriated by this Act shall be expended for the research, development, test, evaluation or procurement for integration of a nuclear warhead into the Joint Tactical Missile System (JTACMS).

SEC. 8084. None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair, or maintenance of any naval vessel which includes charges for interport differential as an evaluation factor for award.

SEC. 8085. Under regulations prescribed by the Secretary of Defense, the Department of the Air Force and the Defense Logistics Agency may test a flat rate per diem system for military and civilian travel allowances: *Provided*, That per diem allowances paid under a flat rate per diem system shall be in an amount determined by the Secretary of Defense to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but in no event will the travel allowances exceed $75 for each day in travel status within the continental United States: *Provided further*, That the test approved under this section shall expire on September 30, 1987, or upon the effective date of permanent legislation establishing a flat rate per diem system for both military and civilian personnel, whichever occurs first.

SEC. 8086. Notwithstanding any other provision of law, during fiscal year 1986, the Department of Defense is to conduct a pilot test project of providing home health care to dependents entitled to health care under section 1076 of title 10, United States Code: *Provided*, That such care is medically necessary or appropriate, cost effective, and the beneficiary is not covered for such care

under any other public or private health insurance plan.

SEC. 8087. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of postsecondary education institutions for tuition or expenses for off-duty training of Ready Reserve commissioned officer personnel, nor for the payment of any part of tuition or expenses for such training of such personnel who do not agree to remain members of the Ready Reserve for at least four years after completion of such training or education.

SEC. 8088. None of the funds appropriated in this Act shall be used for professional surveying and mapping services performed by contract for the Defense Mapping Agency unless those contracts are procured in accordance with the selection procedures outlined pursuant to section 2855 of title 10, United States Code.

SEC. 8089. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8090. Appropriations available to the Department of Defense during the current fiscal year shall be available, under such regulations as the Secretary of Defense may deem appropriate, to exchange or furnish mapping, charting, and geodetic data, supplies or services to a foreign country pursuant to an agreement for the production or exchange of mapping, charting, and geodetic data.

SEC. 8091. Of the funds made available in title IV of this Act, $300,000 available for Defense Research Sciences, Army; $300,000 available for Defense Research Sciences, Navy; $300,000 available for Defense Research Sciences, Air Force; and $100,000 available for Defense Research Sciences, Defense Agencies; in all: $1,000,000, shall be available only for establishing at a private nonprofit institution a pilot program for advanced semiconductor research.

SEC. 8092. None of the funds appropriated by this Act may be obligated or expended for the purposes delineated in section 1103(c) of the Department of Defense Authorization Act, 1986, until 30 calendar days have elapsed following receipt of written notification by the Committees on Appropriations and Armed Services of the House of Representatives and the Senate.

SEC. 8093. (a) Except in accordance with subsection (b), none of the funds appropriated in this Act may be used—

(1) for procurement or assembly of binary chemical munitions (or subcomponents of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or subcomponents of such munitions).

(b) It is the sense of Congress that appropriations for binary chemical weapons shall be considered after September 30, 1986, if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by such date;

(2) the President transmits, after such date, a certification to the Congress that—

(A) the procurement and assembly of such complete weapons is necessitated by national security interests including the interests of the members of the North Atlantic Treaty Organization;

(B) performance specifications established by the Department of Defense and in effect on the date of enactment of this Act with respect to such munitions will be met or exceeded in the handling, storage, and other use of such munitions;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions;

(D) the Secretary of Defense's plan (which shall accompany such certification) for destruction of existing chemical stocks is ready to be implemented; and

(E) the North Atlantic Council of the North Atlantic Treaty Organization (NATO) has formally agreed—

(i) that chemical munitions currently stored and deployed in NATO countries need to be modernized in order to serve as an adequate deterrent;

(ii) that such modernization should be effected by replacement of current chemical munitions with binary chemical munitions; and

(iii) that the European member nations of NATO where such chemical munitions are to be stored or deployed are willing to accept storage and deployment of binary chemical munitions within their territories;

(3) such procurement and assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the Secretary of Defense's basing mode for such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are based in separate States; and

(5) the Secretary of Defense's plan for the transportation of such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are transported separately and by different means.

SEC. 8094. None of the funds appropriated in this Act may be obligated or expended for procurement of C-12 aircraft unless such aircraft are procured through competitive procedures (as defined in section 2302(2) of title 10, United States Code), which shall be restricted to turboprop aircraft.

SEC. 8095. None of the funds in this Act may be obligated for procurement of 120mm mortars or 120mm mortar ammunition manufactured outside of the United States: *Provided*, That this limitation shall not apply to procurement of such mortars or ammunition required for testing, evaluation, type classification or equipping the Army's Ninth Infantry Division (Motorized).

SEC. 8096. None of the funds appropriated by this Act may be obligated or expended to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after October 3, 1985, a test against an object in space of a dedicated anti-satellite weapon.

SEC. 8097. Of the funds made available to the Department of the Air Force in this Act, not more than $35,000,000 shall be made available to initiate a replacement program for Presidential Air Force One aircraft.

(TRANSFER OF FUNDS)

SEC. 8098. The Secretary of Defense may transfer, not to exceed $1,000,000,000 from the Foreign Currency Fluctuation, Defense account to appropriations provided in title II of this Act: *Provided*, That the Secretary of Defense shall report to the Committees on Appropriations of the House of Representatives and Senate of the intended transfer: *Provided further*, That funds so transferred shall be made available for the same time period and purpose as the appropriation to which transferred: *Provided further*, That this transfer authority is in addition to any other transfer authority provided elsewhere in this Act.

SEC. 8099. (a) LIMITATIONS ON CONFLICTS-OF-INTEREST IN DEFENSE PROCUREMENT.—(1) An individual who is a former officer or employee of the Department of Defense, retired Member of Congress, or a former or retired member of the Armed Forces, retired Member of Congress, who during the two-year period preceding the individual's separation from service in the Department of Defense had significant responsibilities for a procurement function with respect to a contractor may not accept compensation from that contractor for a period of two years following the individual's separation from service in the Department of Defense or the Congress of the United States.

(2) Whoever knowingly violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than one year, or both

(3) an individual who knowingly offers or provides any compensation to an individual the acceptance of which is or would be in violation of paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) LIMITATIONS ON CONTRACTORS.—(1) Each contract for procurement of goods or services entered into by the Department of Defense shall include a provision under which the contractor agrees not to provide compensation to an individual if the acceptance of such compensation by such individual would violate subsection (a)(1).

(2) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

(A) $100,000; or

(B) three times the compensation paid by the contractor to the individual in violation of such contract provision.

(c) REPORTING OF EMPLOYMENT CONTRACTS.—If an officer or employee of the Department of Defense, or a member of the Armed Forces, having significant responsibilities for a procurement function with respect to a contractor contacts, or is contacted by, the contractor regarding future compensation of the officer, employee, or member by the contractor, the officer, employee, or member shall—

(1) promptly report the contact to the officer, employee, or member's supervisor and to the designated ethics official of the agency in which the officer, employee, or member is serving;

(2) promptly report (as part of the report under paragraph (1) or as a separate report) when contacts with the contractor concerning such compensation have been terminated without agreement or commitment to future compensation of the officer, employee, or member by the contractor; and

(3) disqualify himself from all participation in the performance of procurement functions relating to contracts with that contractor until a report described in paragraph (2) is made with respect to such contacts.

(d) NOTICE TO OFFICERS AND EMPLOYEES LEAVING DOD SERVICE.—(1) The Secretary of Defense shall give the notice described in paragraph (2) to each officer and employee of the Department of Defense and each member of the Armed Forces—

(A) who after the effective date of this section is separated from service in the Department of Defense; and

(B) who during the two-year period before that separation served in a position in the Department that included significant responsibility for a procurement function and that was identified by the Secretary of Defense under subsection (g)(1).

(2) A notice required by paragraph (1) shall provide the individual receiving the notice—

(A) a written explanation of the provisions of this section; and

(B) the name of each contractor from whom such individual is prohibited from accepting compensation under this section during the two-year period following such separation from service in the Department of Defense.

(e) CONTRACTOR REPORTS.—(1)(A) Each contractor subject to a contract term described in subsection (b) shall submit to the Secretary of Defense not later than April 1 of each year a report covering the previous calendar year. Each such report shall list the name of each individual (together with other information adequate for the Government to identify the individual) who is a former Department of Defense officer or employee, or a former or retired member of the Armed Forces, who—

(i) was provided compensation by that contractor during the preceding calendar year, if such compensation was provided within two years after such officer, employee, or member left service in the Department of Defense; and

(ii) had significant responsibilities for a procurement function during the individual's last two years of service in the Department of Defense.

(B) Each such listing shall—

(i) show each agency in which the individual was employed or served on active duty during the last two years of such individual's service in the Government;

(ii) show the individual's job titles during the last two years of such individual's service in the Government;

(iii) contain a full and complete description of the duties of the individual during the last two years of such service; and

(iv) contain a description of the duties (if any) that the individual is performing on behalf of the contractor.

(C) The first such report shall be submitted not later than April 1, 1987.

(2) The Secretary of Defense shall review each report under paragraph (1) to assess the report for accuracy and completeness and for the purpose of identifying possible violations of subsection (a) or (b) or paragraph (1). The Secretary shall report any such possible violation to the Attorney General.

(3) Whoever fails to file a report required by paragraph (1) shall be fined not more than $10,000.

(f) REVIEW BY DIRECTOR OF OFFICE OF GOVERNMENT ETHICS.—The Director of the Office of Government Ethics shall have access to the reports submitted under subsection (e)(1) and shall conduct an annual random review of the reports for violations of subsections (a), (b), and (e)(1). The Director shall submit a report to Congress not later than October 1 of each year on the operation of this section, including the findings of the Director based on the examination of reports for the preceding calendar year.

(g) COVERED PROCUREMENT FUNCTIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense—

(1) shall identify the procurement functions covered by this section and the organizational positions currently performing such functions; and

(2) shall provide a list of such functions and positions to Congress and to the Director of the Office of Government Ethics and publish such list in the Federal Register.

(h) EXCLUSION.—This section does not apply—

(1) to a contract for an amount less than $100,000; or

(2) to compensation of an individual by an entity that did not have a Department of Defense contract in excess of $100,000 at the time the individual had significant responsibilities for a significant procurement function with respect to a contract with that entity.

(i) ADVISORY OPINIONS FROM OFFICE OF GOVERNMENT ETHICS.—(1) An individual who is considering the propriety of accepting compensation that might place the individual in violation of subsection (a) may, before acceptance of such compensation, apply to the Director of the Office of Government Ethics for advice on the applicability of this section to the acceptance of such compensation.

(2) An application under paragraph (1) shall contain such information as the Director requires.

(j) WAIVER OF OTHERWISE APPLICABLE FINES UNDER TITLE 18.—The provisions of section 3623 of title 18, United States Code, shall not apply to maximum fines applicable under subsections (a)(2), (a)(3), and (e)(3).

(k) DEFINITIONS.—For purposes of this section:

(1) The term "compensation" includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

(2) The term "contractor" means any person, partnership, corporation, or agency (other than the Federal Government or the independent agencies thereof) that contracts to supply the Department of Defense with goods or services. Such term includes any parent, subsidiary, or affiliate thereof.

(3) The term "procurement function", with respect to a contract, means any acquisition action relating to the contract, including negotiating, awarding, administering, approving contract changes, costs analysis, quality assurance, operational and developmental testing, technical advice or recommendation, approval of payment, contractor selection, budgeting, auditing under the contract, or management of the procurement program.

(4) The term "Armed Forces" means the Army, Navy, Air Force, and Marine Corps and includes the Coast Guard when the Coast Guard is operating as a service in the Navy.

(l) SEPARATION OF MEMBERS OF ARMED FORCES.—For the purposes of this section, a member or former member of the Armed Forces shall be considered to have been separated from service in the Department of Defense upon such member's discharge or release from active duty.

(m) TRANSITION.—(1) This section—

(A) does not preclude the continuation of employment that began before the effective date of this section or the acceptance of compensation for such employment; and

(B) does not, except as provided in paragraph (2), apply to an individual whose service with the Department of Defense terminates before April 1, 1986.

(2) Paragraph (1)(B) does not preclude the application of this section to an individual with respect to service in the Department of Defense by such individual on or after April 1, 1986.

(n) EFFECTIVE DATE.—This section shall take effect on January 1, 1986.

(o) REPEALER.—Section 921 of the Department of Defense Authorization Act, 1986, is repealed.

SEC. 8100. (a) REGULATION OF ALLOWABLE COSTS PAYABLE TO DEFENSE CONTRACTORS.—Section 2324 of title 10, United States Code, as added by section 911 of the Department of Defense Authorization Act, 1986, is amended to read as follows:

"§ 2324. Allowable costs under defense contracts

"(a)(1) The Secretary of Defense shall require that a covered contract provide that if the contractor submits to the Department of Defense a proposal for settlement of indirect costs incurred by the contractor for any period after such costs have been accrued and if that proposal includes the submission of an indirect cost that has been expressly specified by statute or regulation as being unallowable—

"(A) that cost shall be disallowed; and

"(B) the contractor shall pay to the United States an amount equal to the greater of $10,000 or—

"(i) the amount of the disallowed cost, plus interest; or

"(ii) if the cost is of a type that has been finally determined, before the submission of such proposal, to be expressly unallowable to that contractor, an amount equal to twice the amount of the disallowed cost, plus interest.

"(2) An action by the Secretary under a contract provision required by paragraph (1) to disallow a cost and to require payment of a contractor—

"(A) shall be considered to be a final decision for purposes of section 6 of the Contracts Dispute Act of 1978 (41 U.S.C. 605); and

"(B) shall be appealable in the manner provided in section 7 of such Act (41 U.S.C. 606).

"(3) Interest under paragraph (1) shall be computed—

"(A) from the date on which the cost is questioned; and

"(B) at the applicable rate prescribed by the Secretary of the Treasury under section 6621 of the Internal Revenue Code of 1954.

"(4) Whoever, having entered into a contract with the Department of Defense that includes terms for settlement of indirect costs, submits to the Department a proposal for settlement of such costs for any period after such costs have been accrued that includes a cost that is expressly specified by statute or regulation as being unallowable, knowing that such cost is unallowable, shall be imprisoned not more than 5 years, or fined not more than $250,000 in the case of an individual or $500,000 in the case of a corporation.

"(b) The following costs are not allowable under a covered contract:

"(1) Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

"(2) Costs incurred to influence (directly or indirectly) congressional action on any legislation or appropriation matters pending before Congress or a State.

"(3) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the United States where the contractor is found liable for fraud or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of false certification).

"(4) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with applicable regulations of the Secretary of Defense.

"(5) Costs of membership in any social, dining, or country club or organization.

"(6) Costs of alcoholic beverages.

"(7) Contributions or donations, regardless of the recipient.

"(8) Costs of advertising designed to promote the contractor or its products.

"(9) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

"(10) Other cost items identified by regulation which the Secretary of Defense shall prescribe by regulation under this section.

"(11) Except as provided in subsection (c), costs for travel by aircraft to the extent that such costs exceed the amount of standard commercial fare for travel by common carrier between the points involved.

"(c)(1) Subsection (b)(11) does not apply if travel by common carrier at standard fare—

"(A) would require travel at unreasonable hours;

"(B) would excessively prolong travel;

"(C) would result in overall increased costs that would offset potential savings from travel at standard commercial fare; or

"(D) would not meet physical or medical needs of the person traveling.

"(2) Subsection (b)(11) does not apply to travel by aircraft other than a common carrier if—

"(A) travel by such aircraft is specifically required for contract performance or is otherwise specifically authorized under the contract;

"(B) travel by common carrier is impractical; and

"(C) the travel performed is for business purposes and requires the use of such aircraft.

"(3) Costs for air travel in excess of that allowed by subsection (b)(11) may only be allowed by reason of one of the exceptions contained in paragraph (1) or by reason of paragraph (2) if the exception is fully documented and justified, including, in the case of an exception under paragraph (2), full documentation of the use of the aircraft for business purposes.

"(d)(1) The Secretary of Defense shall prescribe regulations, consistent with the requirements of subsection (b), to establish criteria for the allowability of indirect contractor costs under Department of Defense contracts. Such regulations shall be prescribed as part of the Department of Defense Supplement to the Federal Acquisition Regulation. In developing specific criteria for the allowability of such costs, the Secretary shall consider whether reimbursement of such costs by the United States is in the best interests of the United States and consistent with the requirements of subsection (b). Such regulations—

"(A) shall define and interpret in reasonable detail and specific terms those indirect costs, including the cost requirements of subsection (b), that are unallowable under contracts entered into by the Department of Defense; and

"(B) shall provide that specific costs unallowable under one cost principle shall not be allowable under any other cost principle.

"(2) The regulations under paragraph (1) shall, at a minimum clarify the cost principles applicable to contractor costs of the following:

"(A) Air shows.

"(B) Advertising.

"(C) Recruitment.

"(D) Employee morale and welfare.

"(E) Actions to influence (directly or indirectly) executive branch action on regulatory and contract matters (other than costs incurred in regard to contract proposals pursuant to solicited or unsolicited bids).

"(F) Community relations.

"(G) Dining facilities.

"(H) Professional and consulting services, including legal services.

"(I) Compensation.

"(J) Selling and marketing.

"(K) Travel.

"(L) Public relations.

"(M) Hotel and meal expenses.

"(N) Membership in civic, community, and professional organizations.

"(3) Such regulations shall specify the circumstances under which clauses (A) and (B) of subsection (c)(1) may be applied.

"(4) Such regulations shall require that a contractor be required to provide current, accurate, and complete documentation to support the allowability of an indirect cost at the time a proposal for settlement of indirect costs is submitted to the Secretary. If such documentation is not sufficient to support the allowability of the cost, the cost shall be challenged by the Secretary, and it shall become expressly unallowable and is not subject to negotiation.

"(e)(1) The Secretary of Defense shall require that each indirect cost in the contractor's submission for final overhead settlement applied to covered contracts that is not specifically unallowable under law or regulation and that is challenged by the Secretary as being unallowable shall be considered for resolution as being allowable or unallowable separately from the resolution of other challenged costs. If such challenged cost cannot be resolved as being allowable or unallowable separately, then the settlement may include an aggregate amount for the settlement of all such challenged costs or a settlement of each such cost at less than the amount submitted if—

"(A) the contractor and the contracting officer cannot agree on the allowability of the cost under existing cost principles;

"(B) the contracting officer documents the reasons why an agreement cannot be reached; and

"(C) the contractor agrees in writing that costs of that type will not be submitted to the Department of Defense for payment as an allowable indirect cost in the future under that contract or any other contract of the contractor with the Secretary.

"(2) The Secretary of Defense shall provide, to the maximum extent practicable, the defense contract auditor be present at any negotiation or meeting with the contractor regarding a determination of the allowability of indirect costs of the contractor.

"(f)(1) A contractor that submits a proposal for settlement of indirect costs applicable to a covered contract shall be required to certify that all indirect costs included in the proposal are allowable. Any such certification shall be in a form prescribed by the Secretary of Defense.

"(2) The Secretary of Defense or the Secretary of the military department concerned may, in an exceptional case, waive the requirement for certification under paragraph (1) in the case of any contract if the Secretary—

"(A) determines in such case that it would be in the interest of the United States to waive such certification; and

"(B) states in writing the reasons for that determination and makes such determination available to the public.

"(g) The Secretary of Defense shall provide that, in establishing the interim or provisional rates for payment of indirect costs to a defense contractor for which final settlement will be made at a later time, such rates shall be based upon amounts incurred by such contractor for indirect costs less any amount questioned by the agency with responsibility for audits of defense contracts.

"(h) In this section, 'covered contract' means a contract entered into by the Department of Defense for an amount more than $25,000—

"(1) that is flexibly priced; or

"(2) for which cost or pricing data is required under section 2306(f) of this title.".

(b) REGULATIONS.—(1) Not later than 150 days after the date of enactment of this Act, the Secretary of Defense shall prescribe the regulations required by subsection (d) of section 2324 of title 10, United States Code, as amended by subsection (a). Such regulations shall be published in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b).

(2) The Secretary shall review such regulations at least once every five years. The results of each such review shall be made public.

(c) APPLICABILITY TO SUBCONTRACTS.—The regulations of the Secretary of Defense required to be issued under subsection (b) shall require, to the maximum extent possible, that the provisions of section 2324 of title 10, United States Code, as amended by subsection (a), shall apply to all subcontractors of any covered contract, as that term is defined in such section.

(d) EFFECTIVE DATE.—Section 2324 of title 10, United States Code, as amended by subsection (a), shall apply only to contracts entered into on or after the date on which regulations are prescribed in accordance with subsection (b).

SEC. 8101. (a) MULTIPLE SOURCES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.—(1) Section 2305a of title 10, United States Code, as added by section 912 of the Department of Defense Authorization Act, 1986, is amended to read as follows:

**"§ 2305a. Major programs: development of multiple sources**

"(a)(1) The Secretary of Defense may not begin full-scale engineering development under a major program until—

"(A) the Secretary prepares a plan for competition under the program; and

"(B) the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing that plan.

"(2) Each contract for the development and acquisition of the system under the program, and each contract for the development and acquisition of a major subsystem under the program, shall be awarded in accordance with the plan prepared under paragraph (1).

"(3) The report required by paragraph (1)(B) shall be submitted not later than the submission of the budget materials the Secretary submits to Congress for the fiscal year for which the initial request is made for appropriations for full-scale engineering development of the program.

"(4) If the Secretary proposes to revise a competition plan prepared under paragraph (1) after the report on the plan is submitted under that paragraph, the Secretary shall submit to the committees a report describing the proposed revision. Such a revision may not be implemented until 60 days after the report on the revision is received by those committees.

"(b)(1) The Secretary shall include in the competition plan for a major program an estimate of whether the market conditions for such system (and each such subsystem) exist such that the Secretary has a reasonable expectation that there will be competitive alternative sources of supply for the system (and each such subsystem) throughout the period from the beginning of full-scale engineering development through the end of production under the program.

"(2) If the Secretary's estimate under paragraph (1) that competitive alternative sources of supply will exist later proves incorrect in that fewer than two responsive proposals are received in reply to a request for proposals, the Secretary shall revise the competition plan in accordance with subsection (c)(1).

"(3) A contract for full-scale engineering development or production (including follow-on contracts) under a major program may not be entered into using procedures other than competitive procedures under the authority of clause (1) or clause (7) of section 2304(c) of this title.

"(c)(1) In preparing the portions of a plan that are required by subsection (b)—

"(A) if the Secretary determines that competitive alternative sources of supply with respect to the system (or a major subsystem of the system) would not otherwise be available throughout the full-scale engineering development of the system (or major subsystem), the Secretary shall provide in the plan for the award of contracts under the program so as to provide and maintain at least two sources of supply for full-scale engineering development; and

"(B) if the Secretary determines that competitive alternative sources of supply with respect to the system (or a major subsystem of the system) would not otherwise be available throughout the production of the system (or major subsystem), the Secretary shall provide in the plan for the award of contracts under the program so as to provide and maintain at least two sources of supply for production.

"(2) If a competition plan includes a provision required by paragraph (1)(B), the plan shall also provide that of the total dollar amount of contracts awarded for a fiscal year for production of the system (or major subsystem)—

"(A) the amount awarded to the contractor whose proposal was most advantageous to the United States shall be greater than the amount awarded any other contractor; and

"(B) the amount awarded any other contractor shall be sufficient to enable that contractor to compete effectively for the plurality of the next production contract for the system (or major subsystem).

"(3) The Secretary shall determine which proposal is most advantageous to the United States by considering price and other factors included in the solicitation for proposals for the contract.

"(4) The Secretary may waive provisions of a plan required by paragraph (1) if the Secretary determines that the proposal of the contractor submitting the proposal that is the second most advantageous to the United States is not within a competitive range (as determined by the Secretary) of the proposal that is the most advantageous to the United States.

"(5) In carrying out this subsection, the Secretary may provide that the requirements of a competition plan are satisfied even though the contractors do not develop or produce identical systems if the systems developed or produced serve similar functions and compete effectively with each other.

"(d)(1) In preparing a competition plan for a major program, the Secretary (subject to paragraph (4)) may waive the requirements of subsections (b) and (c) with respect to that program if the Secretary determines that the application of those subsections to that program—

"(A) would materially increase the total cost of the program; or

"(B) would unreasonably delay the completion of the total program.

"(2) If the Secretary grants a waiver under paragraph (1), the report submitted under subsection (a)(1) with respect to that program—

"(A) shall include notice that such waiver has been made; and

"(B) shall set forth the reasons for the waiver, together with supporting documentation of comparative cost and schedule estimates.

"(3) The exercise of the authority provided under paragraph (1) shall be made separately with respect to the application of subsections (b) and (c)—

"(A) to full-scale engineering development of the program; and

"(B) to production of the program.

"(4) The Secretary may not grant a waiver under paragraph (1) if the waiver would cause the total cost of either the major development programs or the major production programs for which all such waivers have been granted to exceed 50 percent of the total cost of all the major development programs or the major production programs, respectively, that enter full-scale engineering development after fiscal year 1986.

"(f) In this section:

"(1) 'Major program' means a major defense acquisition program, as such term is defined in section 139a(a) of this title.

"(2) 'Major subsystem', with respect to a major program, means a subsystem of the system developed under the program for which—

"(A) the amount for research, development, test, and evaluation is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the research, development, test, and evaluation funding criterion for identification of a major defense acquisition program; or

"(B) the amount for production is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the production funding criterion for identification of a major defense acquisition program.".

(2) The item relating to such section in the table of sections at the beginning of chapter 137 of such title is amended to read as follows:

"2305a. Major programs: development of multiple sources.".

(b) EFFECTIVE DATE.—Section 2305a of title 10, United States Code, as amended by subsection (a), shall apply with respect to major defense acquisition programs for which funds for full-scale engineering development are first provided for a fiscal year after fiscal year 1986.

SEC. 8102. (a) CLARIFICATION OF SECTION 917 COST AND PRICE MANAGEMENT PROVISION.—Section 2406 of title 10, United States Code, as enacted by section 917 of the Department of Defense Authorization Act, 1986, is amended to read as follows:

"§ 2406. Cost and price management

"(a)(1) Subject to subsection (d)(2), the head of an agency shall require the contractor under a covered contract with that agency—

"(A) to record into appropriate categories the contractor's proposed and negotiated cost and pricing data with respect to work under the contract; and

"(B) to record into appropriate categories the contractor's incurred costs under the contract in the same manner as the manner in which the contractor categorizes and records such proposed and negotiated cost and pricing data.

"(2) The categories into which such proposed and negotiated cost and pricing data and such incurred costs shall be recorded include—

"(A) labor costs;

"(B) material costs;

"(C) subcontract costs;

"(D) overhead costs;

"(E) general and administrative costs;

"(F) fee or profit;

"(G) recurring costs; and

"(H) nonrecurring costs.

"(b)(1) Subject to subsection (d)(2), the head of an agency shall require, with respect to each covered contract under a major defense acquisition program, that the contractor record each proposed or negotiated bill of labor—

"(A) for labor used by the contractor in manufacturing the end item under the program; and

"(B) for labor used by the contractor in performing routine testing relating to the end item.

"(2) A contractor that records proposed and negotiated bills of labor with respect to a contract under paragraph (1) shall prepare each such bill of labor to reflect the contractor's computation—

"(A) of the work required in manufacturing parts and subassemblies for the end item under the program; and

"(B) of the work required in performing routine testing of such parts and subassemblies.

"(3)(A) A contractor preparing a bill of labor required to be recorded under paragraph (1) shall specify in the bill of labor the current industrial engineering standard hours of work content (also known as 'should-take times')—

"(i) for the work included in each component of the bill of labor; and

"(ii) for the total work included in the bill of labor.

"(B) The contractor shall base the standard hours of work content specified in the bill of labor on the 'fair day's work' concept, as such term is understood in competitive commercial manufacturing industries in the United States.

"(C) The contractor's standard hours of work content included in the bill of labor may not vary from time standards derived from commercially available predetermined time standard systems widely used in the United States, as determined by the head of the agency, subject to verification by audit.

"(4) Subject to subsection (d)(2) of this section, the head of the agency concerned shall require that a contractor that records (under paragraph (1)) a negotiated bill of labor with respect to a contract shall, as work progresses under the contract, record—

"(A) any difference between—

"(i) the actual hours of work expended in performing the work included in each component of the bill of labor; and

"(ii) the standard hours of work content for such work specified in the bill of labor pursuant to paragraph (3);

"(B) any difference between—

"(i) the actual hours of work expended in performing the total work included in the bill of labor; and

"(ii) the standard hours of work content for such work specified in the bill of labor pursuant to paragraph (3); and

"(C) the bill of labor so as to reflect the work content of the current configuration of the program.

"(c)(1) Subject to subsection (d)(2), the head of an agency shall require, with respect to each covered contract under a major defense acquisition program, that the contractor record each proposed or negotiated bill of material—

"(A) for material used by the contractor in manufacturing the end item under the program; and

"(B) for material used by the contractor in performing routine testing relating to the item.

"(2) A contractor that records proposed and negotiated bills of material with respect to a contract under paragraph (1) shall prepare each such bill of material to reflect the contactor's computation—

"(A) of the material required for manufacturing parts an subassemblies for the end item under the program; and

"(B) of the material required for routine testing of such parts and subassemblies.

"(3) The costs set out in such a bill of material shall be expressed in current dollars.

"(4) Subject to subsection (d)(2), the head of the agency concerned shall require that a contractor that records a negotiated bill of material with respect to a contract under paragraph (1) shall, as work progresses under the contract, record—

"(A) any difference between—

"(i) the costs incurred by the contractor for material used by the contractor in manufacturing the end item under the program; and

"(ii) the costs for such material specified in the bill of material;

"(B) any difference between—

"(i) the costs incurred by the contractor for material used by the contractor in performing routine testing relating to the item; and

"(ii) the costs for such material specified in the bill of material; and

"(C) the bill of material so as to reflect the work content of the current configuration of the program.

"(d)(1) Nothing in this section prohibits a contractor from submitting to an agency a request for payment or reimbursement for any bill of labor or any bill of material developed pursuant to an approved system of cost principles and procedures.

"(2) This section does not authorize or require the head of an agency to require the recording by a contractor of information under this section if the contractor does not otherwise maintain the information to be recorded—

"(A) under section 2306(f) of this title or some other provision of law (other than this section) or regulation;

"(B) under the terms of a contract provision required under any such law or regulation; or

"(C) for its own management purposes.

"(e) In this section:

"(1) 'Agency' means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force.

"(2) 'Covered contract' means a contract that is awarded by an agency and that is subject to the provisions of section 2306(f) of this title, including contracts for full-scale engineering developments or production.

"(3) 'Major defense acquisition program' has the meaning given that term in section 138(a)(1) of this title.".

(b) APPLICABILITY OF SECTION.—Section 2406 of title 10, United States Code, as amended by subsection (a), shall apply with respect to—

(1) contracts in effect on the date of the enactment of this Act;

(2) contracts entered into on or after such date; and

(3) a contract completed or otherwise terminated before such date under a major defense acquisition program that is in existence on such date, if the contract was with a contractor with whom the Department of Defense (including the military departments) has a contract under such program on or after such date.

This Act may be cited as the "Department of Defense Appropriation Act, 1986".

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title VIII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any points of order against title VIII?

Are there amendments to title VIII?

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment to title VIII.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 85, line 19, strike out the period and insert in lieu thereof ", but such funds may not be obligated or expended for such purpose until authorized by law in accordance with section 138(a) of title 10, United States Code, or authorized in accordance with procedures provided in section 1401 of the Department of Defense Authorization Act, 1986.".

Mr. DICKINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DICKS. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

Mr. DICKINSON. Mr. Chairman, there is an item in this bill for $35 million for the research for long lead time items to go forward in selecting a successor to Air Force One and Air Force Two.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Florida.

Mr. CHAPPELL. Is this the amendment which we discussed that has to do with the Air Force One aircraft?

Mr. DICKINSON. It is.

Mr. CHAPPELL. You want to conform the language and the appropriation to authorization and make it subject to authorization.

Mr. DICKINSON. Exactly.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. DICKS. I appreciate the gentleman yielding.

Mr. Chairman, as I understand the law, according to Secretary Taft, in a letter on a previous issue, because of the broad authorization for Air Force aircraft, there is some indication that this program is in fact authorized under the interpretation of the administration.

Now, is the gentleman from Washington in error on that point?

Mr. DICKINSON. I cannot comment on what Secretary Taft said, but it is my understanding that this specific item has not been authorized, certainly not by the authorizing committee.

Mr. DICKS. Specifically.

Mr. DICKINSON. Specifically.

Mr. DICKS. But there is an account called Aircraft Procurement, Air Force, under which this could be authorized, according to the expensive interpretation of the administration, as I recall from the debate on the 747.

Mr. DICKINSON. I cannot comment on that directly because I do not recall that particular point. But if the gentleman would let me explain what I am trying to do——

Mr. DICKS. Sure.

Mr. DICKINSON. I have discussed this with the chairman and the ranking minority member.

There is $35 million in here to go forward with the selection of a successor to Air Force One and Air Force Two.

In looking at the dollar figure, it was $448 million for two aircraft. It was the feeling of the members of the authorizing committee that this is probably excessive, and all we are asking is leave the money in but make it subject to our being given an opportunity to have a hearing and to authorize some money, based on what comes out of the hearing. Our chairman has no problem with that. It is an excessive amount for two aircraft.

Mr. DICKS. If the gentleman will yield further, I happen to agree with the gentleman. I thought that the dollar figure for this was exceedingly high. And one of the major problems falls within the jurisdiction of the gentleman from Alabama, and that is a very large amount of money for R&D. It strikes the gentleman from Washington that that level of R&D is suspect. I would hope that the gentleman would take a very close look at it and try to make certain that those R&D funds are held to an absolute minimum, because I think we can do this without a lot of R&D.

Mr. DICKINSON. I assure the gentleman that is exactly what our committee wants to do; $99 million R&D. We have already built the two airborne 747's that have been EMP hardened. The figures are totally suspect. It is only for that reason. We are not trying to remove the money. We are saying we want to have a hearing. Your committee, as I understand it, did not have a hearing on this thing. It was something that the administration asked at the last minute, and you acceded to the administration's request.

Mr. DICKS. If the gentleman will yield, clearly you have a very good grasp of this issue.

Mr. Chairman, I withdraw my point of order, and I hope that the committee will accept the gentleman's amendment.

Mr. DICKINSON. I thank the gentleman.

Mr. CHAPPELL. Mr. Chairman, if the gentleman will yield, we accept the amendment on this side.

The CHAIRMAN pro tempore. The Chair notes that the gentleman from Washington [Mr. DICKS] has withdrawn his point of order.

The question is on the amendment offered by the gentleman from Alabama [Mr. DICKINSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LOWERY OF CALIFORNIA

Mr. LOWERY of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWERY of California: Strike out section 8084 (page 79, lines 12 through 16).

Mr. LOWERY of California. Mr. Chairman, at a time when the Congress is seeking to enhance procurement reform and ferret out contractor abuse, section 8084 of the defense appropriations bill takes us in the opposite direction. Indeed, taxpayers have a right to know where their money is being spent and how much of it is being spent when the Navy contracts for repairs on its vessels.

The amendment I am offering would delete the bill's proviso that the Navy should somehow pretend that foreseeable transportation costs resulting from moving a ship out of its home port for repairs do not exist. The Navy does not concur with this committee direction and neither should any of us concerned about the principles of an open government.

Briefly, Mr. Chairman, for the benefit of those Members not familiar with the Navy's ship repair policies, let me try to explain current practice with respect to the so-called interport differential.

Current Navy policy factors in certain costs of moving a ship from one port to another for repair purposes. These moving costs are termed interport differentials. Now, interport differentials include: First, fuel costs; second, pilot, escort, and berthing costs; and third, messing of ship-based personnel. Family relocation costs, though difficult to predict, should also be considered an interport differential, but present Navy policy does not factor this cost in.

Nevertheless, the Navy's approach, contained in its own ship repair contracting manual, is fiscally responsible, aboveboard and honest. So, why does section 8084 of the defense appropriations bill engage in micromanagement of the worst ilk and turn Navy policy on its head?

Ostensibly, this provision seeks to maintain an industrial mobilization base in as many ports as possible. Section 8084 supporters would say that without this provision, home port shipyards have an unfair advantage in competing for Navy repair work. This argument is not new. In fact, the hue and cry coming from non-home-port areas is the driving force behind the Navy's decision to increase the number of home ports. The industrial base argument is also the main reason the Navy is now competing its major overhaul work on a coastwide basis with more vigor. And now, in another section of this bill's report, and in the name of maintaining our industrial ship-repair capacity, the committee is directing the Navy to also bid its smaller repair jobs coastwide, regardless of the effect on personnel and economics. I would submit, Mr. Chairman, that section 8084 is the last straw!

It is one thing to tell the Navy to increase its bid area, or to build new home ports. But it is quite another to suggest that the Navy should ignore the true cost of steaming its ships to other ports in the name of competition or industrial base capacity. Interport differentials are real, foreseeable costs that will be borne by the Navy. Hiding such costs through legislation won't make them go away, and sets a terrible precedent for dealing with this issue.

But don't take my word for it. The GAO, in a 1982 study of a Navy overhaul contract award, succinctly stated, "we believe that nonconsideration of foreseeable costs results in an inadequate evaluation of contractor bids and fails to reflect potential costs to the Government."

I find it hard to believe that Congress would want to create a policy which condones hidden costs to the American taxpayer. There is enough of that already, most of it unintentional. Section 8084 is a blatant, intentional attempt to cover up the real cost of bids; it is a slap at honesty in contracting, and is contrary to basic principles of good, open government.

Mr. Chairman, I urge Members to support my amendment to strike section 8084.

□ 1335

Mr. AuCOIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from California, in his amendment, would make it seem that somehow our committee has lurched forward and done something that is ill-advised, hastily conceived, and detrimental to the Navy and its personnel. The truth is that none of those things are true.

Our committee has looked for years at the problem of naval overhaul work and the industrial base that is required to do that work on both the west coast and on the east coast. It has looked into some practices on the part of home port shipyards that have given the taxpayer a raw deal. It has looked at the problems of inadequate competition which the Congress now has focused on in terms of seeking more of, on the part of the Pentagon, in all of its practices.

Our committee, in looking at some of these practices has studied reports from its own survey and investigations staff which have shown that the absence of competition and the buying in that's gone on in navy overhaul and maintenance work on both coasts has hurt the taxpayer; has run up costs, and is not a bargain by any stretch of the imagination.

The subcommittee has looked with great interest at reports of the General Accounting Office. Reports which have examined these practices that I refer to. The General Accounting Office has indicated that in the absense of competition, which the gentleman would remove by his amendment, we have seen in the case of cost plus and fixed cost contracts between

80 percent and 95 percent of the cases were involved in low balling.

So what the committee has done on the basis of that data, is to provide committee report language to increase competition by opening up more work on an coastwide basis and a ban on the interport differential which the Navy has applied to repair contracts in the past so that shipyards can compete for Navy work based on the cost of the work that they do within those yards. Costs such as the fuel that it takes to get a ship to a non-home-port yard, should not disadvantage that yard because the Navy has made a strategic decision to base that ship elsewhere.

Why not? Because in the case of home-port yards, which the gentleman from California represents, many costs are not scored against his yards' bids. What costs am I referring to? In many home port yards bidders there use the dry dock facilities of the Navy at a minimal cost not scored against those contracts that his shipyards bid on. Whereas in private non-home-port yards, such as in Portland, OR, they get assessed costs home-port yards are allowed to escape.

So if you want to look at costs, you can look at a lot of subsidies that are already at work in the case of home-port yards which are not factored into their bids and represent an advantage on the part of those home-port yards over private yards such as those I represent which have to pick up all of those and factor them into their bids.

So we have, in this committee, simply said that the interport differential should not count against a yard and reduce competition. If the yards in San Diego want to compete, they should compete fairly.

If you want competition, eliminating the interport differential is the way to do it, and the gentleman's amendment should be defeated.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman.

Mr. DICKS. I thank the gentleman.

Mr. Chairman, the gentleman from Oregon has provided tremendous leadership on this issue. The Navy says it wants competition; I think this is one way to insure it.

Second, we have got GAO reports that have clearly indicated that we are getting ripped off by this current policy. In my own view, it is time to get competition. I would point out to my friends that there is another way to deal with this issue. Secretary Lehman, I think, is on the right approach, and that is to disperse the fleet. If you are going to resist competition, and apples and apples-type competition, let us disperse the fleet.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon [Mr. AuCoin] has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. Mr. Chairman, I continue to yield to the gentleman from Washington [Mr. Dicks].

Mr. DICKS. I think that the gentleman from Oregon is correct. We need more competition in this whole procurement process, in SRA's and PMA's and we will save hundreds of millions of dollars. I am surprised that some of the people who want to take this out are also the great advocates of the new Gramm-Rudman approach of cutting the budget and balancing the budget, and constitutional amendments to balance the budget. What we are talking about here is trying to save the taxpayers some money through real competition.

Mr. AuCOIN. I appreciate the gentleman's remarks, and I would have to tell the gentleman that I think he knows, and I would hope that my colleagues understand, that all the committee is doing is extending existing Navy policy and current law already adopted that eliminated the procedure of applying the interport differential to shipyards that are non-home-port shipyards as a cost that they would have to figure in in making a competitive bid. It is law today.

We are extending existing policy here. The gentleman from California would reverse that.

Mr. DICKS. The gentleman is absolutely correct.

Mr. AuCOIN. I would have to just conclude, Mr. Chairman, by saying that if you want to look at what happens when you do not have competition, look at the number of bids we get when you do not have coastwide competition. On the west coast, the typical contract, when bid coastwide, brings in about 12 to 15 bids on the average. When you do not have coastwide competition, the average is closer to two or three bids per contract.

In that kind of a climate, as the GAO has shown us, you have a situation that is ripe for low-balling. The GAO has indicated that 80 to 95 percent of awarded contracts in the last couple years have been involved in low-balling with massive overruns. The GAO looked at 105 contracts that the Navy awarded. Total fixed price contracts were awarded at a cost of $594 million. What do you suppose the final cost to the taxpayer was? Not $594 million. It was $967 million. An increase of close to 70 percent! With that kind of cost growth, we could afford to put the ships' crews up in the Portland Hilton for the duration of the overhaul when our private yards are awarded a contract, and still save taxpayers' money and do a top-quality job for the Navy. Imagine what that would do for crew morale!

The current situation is not acceptable; it is not a bargain for the taxpayer. It needs to be broken up. Existing policy repeated here in our bill eliminating the interport differential makes a good start.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we are missing the point here. If you are talking about competition and you really want competition, you have to evaluate all the costs. What we are saying is that if a ship comes into San Francisco or San Diego or Long Beach, and most of the people on that ship have a family in that particular community, and you have a coastwide bid and you send that ship 2,000 miles away to be repaired, that the cost of moving all those Navy families is there; it is a real cost. You have to consider it. You have to consider the steaming time and the time off station. You have to consider the cost of the move. The Navy family being moved 2,000 miles is usually on the order of $5,000 per family; it is not inconsequential.

We cannot develop a fiction whereby we say we are going to get the bottom price for the taxpayers, but in order to accommodate some shipyards, we are not going to evaluate all the costs and we are not going to include all the costs.

□ 1345

I agree with my friend, the gentleman from Oregon [Mr. AuCoin] that we should consider all costs whenever we are talking about contracting from the U.S. Navy, whether you are building aircraft or repairing ships or whatever. But clearly, moving the ships 2,000 miles and moving those families and their possessions several thousand miles is a cost.

Let me make one other point, since the chairman of the Subcommittee on Sea Power, the gentleman from Florida [Mr. Bennett] is here on the floor with us today. In the Committee on Armed Services, where defense policy is made, we, of course, have the opportunity to put in language that would negate what the Defense Appropriations Subcommittee has done, but, of course, we cannot anticipate what they are going to say. It puts us in a very difficult position when it is not our policy—and we are the makers of policy for the armed services—to see the Defense Appropriations Subcommittee follow on and lay out a policy that is different from the policy we would embrace. That is why I think it is important for the subcommittee chairman, the gentleman from Florida [Mr. Bennett]—and the gentleman from Virginia [Mr. Sisisky], I know, spoke up—and for the gentleman from San Diego, CA [Mr. Bates], and some other Members to stand up today and say that this is not the policy of the House of Representatives.

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I think it is important that the Navy know that the language laid out in that report saying that you will do certain things with regard to the competition of overhauls is not the policy of the House of Representatives, it is not the policy of the Sea Power Subcommittee, or the full Committee on Armed Services. It is the policy only of a few Members who put that language in the defense report.

And I think we have to keep our eye on the ball with regard to this competition. We are talking about Navy families and we are talking about people who will come off a move out perhaps to the Indian Ocean, a tour of duty that may have been 5 or 6 or 7 months long. The average seaman gets home, he meets his wife and his family as he gets off the *Kitty Hawk* or the *Constellation* or the *Ranger* or another ship, and he hopes to be able to spend a couple of weeks with them. What the gentlemen from Washington and Oregon are really telling them is, "If you have a 3-week repair job that comes up and you live in San Diego or you live in Norfolk or another place, and you have just come home and you haven't seen your wife and family for half a year," we are going to take that Navy family like a wishbone, make a wish that we win the contract, and pull it apart, and send that guy who has been at sea for 6 months another 2,000 miles away, where he is going to have to find other quarters; he is going to have to pull the wife out of her job, get the kinds out of school or else leave them if he wants to see them at all.

So we are talking about a policy that impacts people, and I can tell you the compelling interest is the interest of the personnel who make up our armed services. We are not going to be able to stop the erosion—and we have a second erosion beginning from the Navy at this point—we are not going to be able to stop the erosion of qualified personnel if we do not treat them a little bit better.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I am happy to yield to my friend, the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would suggest to the gentleman that there are two ways to deal with that. One is to disperse the fleet into other areas; that would be one possible solution. But I would ask the gentleman also, as a member of the Sea Power Subcommittee and one of the most respected Members of this House on defense matters and someone for whom I have a great personal admiration, how are we going to get something done about getting a better price for the taxpayers?

The GAO reported very clearly that we have had these abuses. Somehow we have got to get a handle on this.

Mr. HUNTER. Mr. Chairman, reclaiming my time, let me tell the gentleman simply this: The U.S. Navy does not exist to make business for a Northwest shipyard, or a Southwest shipyard.

Mr. DICKS. But they also should not be taken advantage of by a San Diego shipyard.

Mr. HUNTER. But let me just tell the gentleman this. Navy families have to live somewhere, and if they live in the home port area, the gentleman would prescribe spreading the home ports out across the country.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. HUNTER] has expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 1 additional minute.)

Mr. HUNTER. Mr. Chairman, if the gentleman suggests taking this entire infrastructure of the U.S. Navy and rebuilding it somewhere else at a huge cost just to accommodate a shipyard, then I think he is missing the point.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to make sure that we get competition and we get the best value for the taxpayer's dollar on the money we are spending in this area. That is what I am after.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for his concern.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from San Diego, CA.

Mr. LOWERY of California. Mr. Chairman, I want to put a question to my colleagues, the gentleman from New York and the gentleman from Oregon: How is not factoring all the costs, the total costs, anticompetitive? I would ask the gentleman from Washington or the gentleman from Oregon, how is not factoring all costs anticompetitive? I fail to see that.

The Navy now is competing on all but one overhaul this coming fiscal year.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield to me?

Mr. HUNTER. I yield to the gentleman from Oregon [Mr. AUCOIN] for the purposes of answering a question.

Mr. AUCOIN. I did not hear the question, so if the gentleman would repeat the question, I would appreciate it.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. HUNTER] has expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 3 additional minutes.)

Mr. HUNTER. Mr. Chairman, I yield to the gentleman from California [Mr. LOWERY] to restate the question.

Mr. LOWERY of California. The question is: How is factoring all costs at a time when the Navy is competing overhauls coastwide now—in all but one instance will those overhauls be competed coastwide—how is not factoring in all costs, including the cost of relocating crews, in some cases families, mess for the crews, fuel costs, berthing, piloting, all of that—how is it anticompetitive not to factor those costs in?

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Oregon for the purpose of answering the question.

Mr. AUCOIN. First, I should point out that the Navy may be competing overhauls coastwide, but you and I both know there are only five of these—only five—available on the west coast next year. Almost all repair work is now being done as SRA's and phased maintenance reserved for the home port. Second, the gentleman tries to make a point that we are excluding major costs, and that this is somehow a disadvantage to the home port area.

I would say to the gentleman that home port areas are advantaged today and not assessed for costs that the Navy picks up for them in such things as berthing fees, towing costs for the tugs that pull the ships into the port to get them berthed, and in some cases yards in the gentleman's district are using the Navy's drydocking facilities at either a bargain-basement price or at no cost at all.

Those are costs that are excluded from homeport bids now. The gentleman does not say that they ought to be factored in to get the real picture on total costs. Why not? Because as a home port area, the gentleman is advantaged by not counting these costs.

We are saying that what we need to do is to have these costs separated from the price of the work product that can be provided in home-port yards and in the yards that are in non-home-ported areas.

Mr. HUNTER. Mr. Chairman, let me yield first to my colleague, the gentleman from San Diego, CA, Mr. LOWERY, for a response, and then I will also yield to the other gentleman from San Diego, CA, Mr. BATES.

Mr. LOWERY of California. Mr. Chairman, we are already paying for those costs. When the ship is home-ported and berthed there, that cost is already factored in, and to suggest that somehow we are going to double-pay it and not count it and to suggest that somehow that supplies competition or promotes competition and that somehow promotes a lower cost to the taxpayers is absurd.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. HUNTER] has again expired.

(By unanimous consent, Mr. HUNTER was allowed to preceed for 2 additional minutes.)

Mr. WYDEN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Oregon.

Mr. WYDEN. Mr. Chairman, I rise in opposition to the amendment to delete section 8084 of H.R. 3629.

I'd first like to comment on some of the concerns I've just heard about how Navy crews and their families are inconvenienced when repair work is done at nonhome port shipyards. That's simply not the case in Portland, OR.

Last spring, I organized the "Portland Welcomes the Navy and Coast Guard Committee" and prevailed on two distinguished community leaders —Multnomah County Commissioner Pauline Anderson and former Congressman Wendall Wyatt—to serve as cochairs. The idea was to show that the crews and families of Navy ships stationed in Portland would be given a red carpet welcome and that the community would walk the extra mile to ensure that their stay was as comfortable and enjoyable as possible. In another sense, the committee's mission was to disprove once and for all the sort of mythology we've just heard during the course of this debate—that awarding repair and overhaul contracts to Portland is tantamount to subjecting the ships' crews and families to unpleasant conditions. That's simply not true—and we've proved it once and for all.

The committee, through former Congressman Wyatt's and Commissioner Anderson's leadership, did a terrific job in a very short period of time—and the community at large responded magnificently.

Specifically, professional sports teams offered free tickets, major retailers provided major discounts on merchandise, and the local bus system gave out free passes to Navy families. In addition, the school district set up special orientation sessions, local landlords waived security deposits and move-out notice requirements on rental units, banks provided free or heavily discounted checking accounts and other services, a major S&L agreed to waive credit card fees and our world famous ski resort chipped in with special promotions and discounted admissions and fees. Finally, local restaurants came up with discount coupon packages and our area's major electric utility waived its usual hookup deposit. And these are only some of the highlights. All in all, more than 100 Portland business and community organizations have agreed to actively participate in our Welcome the Navy effort.

These impressive communitywide contributions culminated earlier this month at a gala "Welcome the Navy Fair" at our local Navy Reserve Center, attended by hundreds of crew members, and spouses and children, of the USS *Duluth* and USS *Cushing*. The overwhelming reaction of Navy personnel to our committee's efforts—from these crew members to top Navy brass—has been one of genuine appreciation of the warmth, friendship and generosity of the Portland community. To my knowledge, no other city and no other port in the Nation has put together a welcoming package that even comes close to matching what we did—and will continue to do—in Portland. It is my hope and expectation that in the years ahead, Navy crews and families will, rather than expecting any sort of hardship, will instead look forward with eager anticipation to a duty assignment in Portland.

Mr. Chairman, section 8084 would clarify the intent of Congress, in passing the supplemental appropriations bill this past summer, to abolish the use of "interport differentials" by the Navy in awarding ship repair, maintenance and overhaul contracts. The Navy has expressed uncertainty as to whether Congress intended this ban to be permanent—and this section of the Defense appropriations bill makes it clear that that's precisely what we intended.

Ship repair contractors at the nonhome-port ship repair yards, particularly on the west coast, have been hampered by the Navy's insistence that a predetermined interport differential—the added cost to the Navy to move a ship to such a port, supervise the repair job, provide for the ship's crew, et cetera—be added to repair bids submitted by such contractors. Section 8084 would simply end that practice and allow contractors at nonhome-port yards to compete on an equal footing with contractors situated in home-port areas.

There are compelling reasons for ratifying what we did this summer and clarifying for the Navy that we intended then and intend now to permanently abolish the use of interport differentials. The Navy has long held to the view—recently reaffirmed—that our national security requires that a geographically dispersed national shipyard mobilization, construction and repair base be maintained. This means that construction and repair work must not and cannot be limited to the major home-port areas of Charleston, Norfolk, and San Diego. There are obvious historical reasons—Pearl Harbor being the most dramatic—to avoid concentrating too large a portion of our fleet in too few areas.

Interport differentials are a necessary cost of maintaining this nationwide mobilization base—and that cost, like all costs related to our national security, should be met by the Nation at large. It does not make sense—and, in fact, is counterproductive to this policy—to require private contractors in nonhome-port shipyards to bear, or attempt to bear, such costs. In many cases—particularly if SRA's and other smaller contracts are now to be bid, as the committee report makes clear, on a coastwide basis—this large additional fixed cost cannot be borne by the prospective contractor and effectively removes these firms and these yards from the competition. If, on the other hand, a level playing field is provided, competition for all repair and maintenance work will be greatly enhanced and the overall cost to the taxpayers will ultimately decrease.

The results of failing to provide a level playing field where all qualified ship repair contractors can compete on an equal footing, at least in the Pacific Northwest where very few vessels are homeported, are obvious. Last year, despite the Navy's policy to route at least 30 percent of its ship repair work to private yards—again, in order to maintain our private shipyard mobilization base—only 2 percent of the ship repair dollars expended in the Northwest went to private yards. The comparable figure in southern California in 1984 last year was 57 percent.

Non-home-port yards simply cannot compete if this unfair interport differential penalty is applied—and if they can't compete, they wont' be around to fulfill their vital role in maintaining our Nation's security. It's just about that simple. We need to keep section 8084.

Mr. HUNTER. Mr. Chairman, let me thank the gentleman from Oregon [Mr. WYDEN], and I now yield to my friend, the gentleman from San Diego, CA, Mr. BATES.

Mr. BATES. Mr. Chairman, I rise to speak in support of the amendment, and I commend my colleague, the gentleman from San Diego, CA, for addressing this problem and pointing out that it does not make sense, particularly as a Congressman from the San Diego area.

There is no question that this work is important to San Diego. There is no question that we need a competitive system, though, and there is no question that there is an advantage because of the large naval facilities, the piers, the boats, and other things. But that should enable them to make a lower bid to benefit the taxpayer ultimately, and it is not our intent to eliminate all competition or eliminate this work being done in other ports.

But I think the reverse should not be true, and it seems to me that that is what the language prior to the adoption of this amendment would do. I understand that earlier we did discuss other provisions in the report language.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. HUNTER] has again expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 2 additional minutes.)

Mr. BATES. Mr. Chairman, I would just like to conclude by asking that we try to work this out so we do keep a competitive environment but not that we preclude the ability of the transportation costs being included in an overall objective decision that would ultimately benefit the taxpayers.

Mr. Chairman, the amendment offered by my colleague from San Diego would strike a provision in the bill before us that simply does not make sense. It does not make economic sense. It does not make sense for the desired goal of retention of our military personnel and it does not make sense if we wish to retain our ship repair industry.

The provision would bar the Navy from taking into consideration the cost of transportation of vessels to different ports when awarding bids for ship overhauls, maintenance, or repair.

We are telling the Navy that certain costs are not really costs. It is a "smoke and mirrors" effort to make certain ports more competitive, and it is wrong and economically unsound. It we are to evaluate bids based on their cost, then we must truly look at those costs—all of the costs. The cost of transporting personnel, families, and fuel for the ship are substantial, and these costs must be included in any cost comparison for Navy repair work. To disallow these costs to be factored in is inherently anticompetitive, and I urge my colleagues to join me in supporting this amendment.

Mr. Chairman, I am also concerned by the implications of two provisions in the report accompanying this bill. The first provision would open up for bid selected restricted availabilities on a coast-wide basis. These SRA's are small repairs of $3 to $5 million and usually take between 8 and 10 weeks to complete.

To open these repairs coast-wide—rather than reserving them for facilities at the home port—serves to deny these sailors the ability to spend time with their family and denies the Navy the opportunity to make certain organizational improvements at the home port.

This change in policy will have a devastating effect on morale and would add considerably to the difficulties of maintaining a normal family life.

Mr. Chairman, the second provision of concern contained in the committee report deals with certification of private yards.

This provision represents a major change in policy. This provision contradicts the stated desire of the U.S. Navy, and this provision undermines an industry essential to our national security.

The conference report accompanying the fiscal year 1985 Appropriations Act called for the decertification of private shipyards without access to non-Navy piers and drydocks from receiving Navy ship repair, alteration and overhaul work. This action was taken based on an assumption that these shipyards were disruptive to Navy operations.

However, during subsequent hearings, the Navy testified that not only are these activities not disruptive, they perform an important function, especially for repairs to Navy ships below MSO size.

Yet despite this expressed desire of the Navy, the Appropriations Committee has again acted to bar these ship repairs firms from Navy repair work. The committee report accompanying this bill—while recommending that the Navy be allowed to continue certifying facilities with no or inadequate piers or drydocks—contradicts this same policy by further stating that such certification cannot occur for ship maintenance and repair projects "unless no such facilities are available in other private yards."

Essentially the committee is telling these ship repair facilities: yes, you can continue to operate, but we'll make it as difficult as we can for you. This is hardly equitable.

Mr. Chairman, I would like to point out that the majority of ship repair facilities that will be affected by this provision are small businesses. In fact, it was the Navy Small Business Advocate who alerted facilities in my district to the implications of this provision. I fail to understand why, on the one hand we continually act to promote small business competition, and then counteract those efforts in this report.

Mr. Chairman, in registering my opposition to these provisions, it is my hope that the legislative history on this matter will show that this action was not unanimously approved by the Congress. I hope that this action will be reversed by the other body and that the authorizing committee will look into the implications of these policy changes.

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Mr. HUNTER. Mr. Chairman, I yield my remaining time to my chairman, the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I want to talk strongly in favor of the amendment of the gentleman from California [Mr. LOWERY].

The Navy has written me a strong letter on this.

Mr. Chairman, I will insert the letter in the RECORD at this point, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
*Washington, DC, October 29, 1985.*

Hon. CHARLES E. BENNETT,
*Chairman, Subcommittee on Seapower and Strategic and Critical Materials, Committee on Armed Services, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN. In response to your query, the issue of Selected Restricted Availabilities (SRA) now before the House is of great importance to the crews of our ships. The House Appropriations Committee report directs the Navy to compete all Selected Restricted Availabilities (SRAs) coastwide. During the last year, we have changed policy and extended the bid area coastwide for all Regular Overhauls (ROHs) to increase competition and reduce costs and in recognition of a maintenance philosophy shift to more short SRAs and fewer long term ROHs. In the case of ROHs we are able to offer the crews the opportunity to relocate with the ship.

For the shorter SRAs, usually about 3 to 4 months, we have competed in the home port. This has assured an adequate repair base in our home-port areas but more importantly it has kept the crews home with their families.

Our crews are already required to be deployed away from their families more than we desire. They make this sacrifice because of the importance of the task. Increasing their time away from home, in many cases just before or after completion of an overseas deployment, will have a very serious adverse impact on their morale and the quality of family life.

Readiness will also be impacted. During these short SRAs, the nonengineers in the crew make extensive use of the shore training facilities to sharpen their warfare skills by day and return to the ships for duty at night. Bidding SRAs coastwide would deny many ships use of the shore training sites and result in degraded readiness. Work arounds to this situation would be costly and would again dramatically impact family life.

I sincerely appreciate your interest in this issue because of its great importance to our sailors and their families. Rescinding this language in the HAC Report would greatly help in preserving the already limited time our Navy families have together.

If I can be of further assistance on this issue please let me know.

Sincerely,

EVERETT PYATT,
*Assistant Secretary of the Navy (Shipbuilding and Logistics).*

Mr. BENNETT. Mr. Chairman, they point out that not only is it a morale thing with regard to personnel; but they also say, with regard to readiness, it is an important thing; and the cost as well, because this is an element of the cost.

About readiness, it says that readiness will also be impacted. During these short SRA's, the nonengineers in the crew make extensive use of the shore training facilities to sharpen their warfare skills and workarounds to this situation would be costly and dramatically impact family life.

If you leave the language in the bill as it is, it is going to cost the Government money. It is not going to save the Government money.

I want to say also that many of us in areas where there is home porting have had millions of dollars spent by our local people to get competition at the local area, at the request of the Navy. It would be bad faith if you enacted this legislation as now worded.

The CHAIRMAN pro tempore [Mr. DORGAN of North Dakota]. The time of the gentleman from California [Mr. HUNTER] has again expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 2 additional minutes.)

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as it now stands, the appropriations bill and its accompanying report contain a major inconsistency in their directions to the Navy concerning ship maintenance and repair. On the one hand, they would direct the navy to compete coastwide all regular overhaul and selected restricted availability work, regardless of the duration of that work. Many of us have expressed our concern about the detrimental effects this language would have on Navy personnel and their families, as well as the total costs of doing this work.

But, on the other hand, section 8084 of the bill would prohibit the Navy from considering the true total costs to the taxpayer of performing this work and carrying out a real competition. Instead, the bill would require the Navy to ignore the costs of moving the ship and its crew out of its home port and the ongoing costs of transporting them during the repair availability for training and other purposes.

Mr. Chairman, this is not true competition. It is, instead, a double whammy for the taxpayer, the sailors and the ship repair facilities in Navy home ports.

I urge my colleagues to support the amendment and restore some fairness and consistency in ship repair policy as it's treated in this bill.

Mr. HUNTER. Mr. Chairman, I yield the remaining time to the gentleman from South Carolina [Mr. HARTNETT], the gentleman from Charleston.

Mr. HARTNETT. Mr. Chairman, I rise in strong support of the amendment. I commend my colleagues.

I think we have to do what is best for the Navy and keep costs down, keep Navy families together, to keep up the esprit de corps in the Navy and maintain good personnel.

I rise in strong support of the amendment and I commend my colleagues for its introduction.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to my friend, the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, just in closing, I would hope the House will support this. It will keep costs down. It is in the taxpayers' interest. Let us factor in all the costs. Let us have truth in contracting so that indeed we know what these costs are and we have as full competition as possible.

Mr. SISISKY. Mr. Chairman, I rise in support of the amendment to delete section 8084 from the fiscal year 1986 Defense appropriations bill. We're facing the constraints of limited financial resources in the Federal Government. We're facing a need to utilize limited resources in the best way possible. I submit that the best way possible does not include saying that certain very real cost factors shall not be included when competing overhaul, repair or maintenance contracts for Navy ships.

During earlier debate on this bill we heard Members say that we needed to have fair competition for ship repair and overhaul contracts in the interest of saving money. I agree. But what I can't understand is how anyone who supports fair competition in the interest of saving money would then turn around and try to stack the deck against their competitors. That's not fair, and it doesn't make sense if we really want to save money on Navy contracts.

It seems simple enough to me. If we want to save money, we've got to have fair competition. If we want to have fair competition, we've got to consider all the factors that could raise or lower the cost of ship repair. It doesn't make sense to say that we can consider this or that factor, but we can't consider some other factor. We shouldn't be able to arbitrarily pick and choose between the cost factors or to ignore the significant costs of and charges for interport differential.

I spoke earlier today about the undesirability of separating Navy families, and I don't want to repeat that here. But I do want to say that the same arguments apply to this situation and to the possibilities that the language in section 8084 could set in motion. I just believe that it represents both bad personnel policy and bad financial policy to create a situation, ostensibly to save money and promote competition, that will clearly cost more money and remove competitive factors from consideration.

I urge my colleagues to support this amendment that would delete the language in section 8084 from the bill.

Mr. BOUCHER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California [Mr. LOWERY] to section 8084 of the Defense appropriations bill, H.R. 3629.

Present Navy policy concerning the evaluation of bids for ship maintenance and repair work appropriately calculates all interport differentials, including costs for steaming a vessel from its home port to another port for repairs, escort and berthing costs, and messing of ship based personnel in private shipyard bid calculations.

Section 8084 markedly changes current Navy policy by directing that interport differentials not be considered when evaluating bids for ship maintenance and repair work. This provision of the bill will distort the competitive bidding process and increase ship maintenance costs.

Given our ongoing commitment to eliminate waste and inefficiency in the defense budget, section 8084 undermines our efforts to put our fiscal house in order.

I urge our colleagues to support the Lowery amendment.

Thank you.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California [Mr. LOWERY].

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title VIII?

AMENDMENT OFFERED BY MR. DYSON

Mr. DYSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYSON: None of the funds appropriated by this Act may be used by the Department of the Navy for the purpose of conducting Electromagnetic Pulse Testing [EMP] in the Chesapeake Bay or its tributaries.

Mr. DYSON. Mr. Chairman, this amendment would prohibit the Department of the Navy from using any of the funds in this bill for the purpose of conducting electromagnetic pulse testing in the Chesapeake Bay. I hasten to add that the Electromagnetic Hardness Testing Programs in the Navy are essential to military preparedness. And I support the Navy's efforts in this important area of research. But I have very serious reservations about conducting such tests in the Chesapeake Bay. This body of water is one of the world's largest and most productive ecosystems. It is the most productive fishery in the Nation, exceeded only by the Atlantic and Pacific coast fisheries. The Chesapeake Bay provides spawning and nursery sites for several important species of anadromous fish, including white perch, stripped bass, and shad. In addition, several marine species including bluefish, weakfish, crooker, menhaden, and spot enter the bay to feed on its rich food supply. Migratory birds and water fowl find food and shelter in the numerous coves and marshes of the bay. Approximately one-half a million Canadian geese winter in the bay, which also provides a nesting area for the endangered bald eagle and osprey.

To protect this vital estuary, the Congress last year appropriated over $10 million to begin the process of cleaning up the Chesapeake Bay. The importance and the magnitude cf this task manifests itself in the cooperative efforts that Maryland, Virginia, and Pennsylvania have made toward achieving this goal. The State of Maryland itself has committed $70 million to this program and both Pennsylvania and Virginia have similarly committed substantial resources. And this year both the House and Senate have authorized $52 million in the Clean Water Act to set in place a 4-year commitment by the Federal Government to this critical effort. Moreover, the EPA, the Department of Agriculture, and the Department of Defense have also committed themselves to this restoration effort.

In light of this investment, Mr. Chairman, it seems wholly unwise for the Department of the Navy to invest good money in so important a project as Empress II in an area like the Chesapeake Bay. It's a classic case of

one hand not knowing what the other is doing. I believe we must take a much closer look at this project and recommend that the Navy find another location for conducting these tests.

Mr. CHAPPELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me respond to the gentleman. In the first place, I understand there are no funds in here for the specific concern that the gentleman has.

In the second place, the Navy would have to go through all the EPA requirements first before funds were spent.

In the third place, during this fiscal year there is no intention on the part of the Navy to undertake such an effort.

But if the Navy should, I will say to the gentleman that our committee would be delighted to work with the gentleman to try to deal with any of the concerns the gentleman has about this measure.

Mr. DYSON. Mr. Chairman, in light of that, I ask unanimous consent to have my amendment withdrawn.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN pro tempore. Are there further amendments not prohibited by clause 2(c) of rule XXI?

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I would like to have a colloquy with my colleague, the gentleman from Pennsylvania [Mr. McDADE].

May I ask the gentleman from Pennsylvania [Mr. McDADE], I am referring to language in the report on the bill that specifically addresses itself to the Defense Audiovisual Agency and the disestablishment thereof.

In April of this year the Secretary of Defense announced the disestablishment of the Defense Audiovisual Agency and in connection with that action the committee chose to make a significant reduction in the moneys that flow for audiovisual activities.

The Department of Defense estimated a $500,000 saving. The committee envisioned perhaps as much as $10 million. That specifically dramatically affects programs that are responsibly carried forward within my district.

I would like to discuss it with the committee and hopefully provide material that may cause the committee to reconsider a piece of that, at least, between now and the conference.

Mr. McDADE. Mr. Chairman, will my colleague yield to me?

Mr. LEWIS of California. I am happy to yield to the gentleman.

Mr. McDADE. Mr. Chairman, I want to congratulate my colleague for bringing this to our attention.

It may very well be, as my colleague has pointed out, that we went too far. Let me say to my colleague that because of his interest we are delighted to receive additional information and additional documentation to see if perhaps we ought to reverse this decision or modify it in some way that would accommodate the gentleman's interest. We will be happy to do that, may I say to my friend.

Mr. LEWIS of California. Mr. Chairman, I appreciate that.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield to me?

Mr. LEWIS of California. I am very happy to yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Perhaps the distinguished chairman can respond to both our concerns.

Mr. Chairman, I am very pleased that my colleague, the gentleman from California, has brought this matter up. The activity in question, the Defense Audiovisual Agency at Norton Air Force Base is one that we have kind of interchanged over the years. We are both very familiar with it and aware of the important role that it plays.

I want to concur completely with the statement which my colleague has made and offer to support in any way I can the careful reconsideration by the committee of the possibility of restoring some of this $10 million which was cut out.

Mr. Chairman, I rise to voice my objections to a cut made to the Department of Defense audiovisual functions formerly performed by the Defense Audiovisual Agency [DAVA]. DAVA was formed from the individual audiovisual components of the various services in order to seek efficiencies from a consolidated operation. The Department of Defense decided this year to dissolve DAVA and to return many of these audiovisual functions back to the Services and to the American Forces Information Service [AFIS]. The Department of Defense identified $500,000 in savings from this move.

However, the committee has decided, rather arbitrarily, I might add, to cut $10 million from this function. This move was made without prior consulation with the Air Force which must bear the greatest burden of this cut. The committee assumes that the Air Force can absorb this cut and still maintain current service levels, an assumption which the Air Force says is incorrect. The committee also has abrogated an understanding made by the Department of Defense to current employees that they would be transferred to the various services along with sufficient funding to keep any disruption to a minimum. A cut of nearly 50 percent is not a minimum disruption.

For my colleagues who are not aware of what these audiovisual functions entail, let me take a moment to explain. DAVA was a comprehensive audiovisual production, duplication, distribution, and storage operation. It also maintained extensive Department of Defense film archives, valued at hundreds of millions of dollars. Everything from training films to combat audiovisual materials where handled by DAVA. In addition, DAVA maintained a data base to control production and storage and avoid duplication.

Under the DAVA disestablishment, these functions will return to the uniformed services or to AFIS. The central control functions, the archive functions, and the production and distribution functions which affect all of the services will be retained at the old DAVA facility at Norton Air Force Base and will fall to the Air Force to maintain. These are the functions which will be affected by the $10 million cut.

This cut endangers many millions of dollars' worth of archived audiovisual material. It also means that millions of dollars of films already produced may not be able to be duplicated and distributed in a timely manner, if at all. The central control function, which helps eliminate duplication of efforts, will be threatened. Also, existing contracts would be terminated, costing an estimated $3 million. And all of this is being done without a plan or prior consultation with the services affected.

I recognize the need to cut Federal spending, but only with a rational plan in place. I will not at this point offer an amendment to restore this funding pending such a plan of action, but will work on the other body to correct this situation. It is my hope that we can reverse this ill-conceived action.

Mr. LEWIS of California. Mr. Chairman, this is relatively at the last moment in terms of the item coming to our attention. We do appreciate the gentleman's cooperation and look forward to working with him between now and the conference.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the distinguished gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, we recognize the problem and we will be delighted to consult with the gentleman, consider such information as the gentleman has, supplementing what we already have, and see if we can be of assistance on the matter.

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I rise today to express my concern with the way in which the Appropriations Committee

has chosen to drastically reduce requested funding for the audiovisual requirements of the Department of Defense.

At the beginning of this fiscal year, the Department of Defense has moved to disestablish the Defense Audiovisual Agency [DAVA] located at Norton Air Force Base in California. By so doing, the Department sought to realize improvements in both efficiency and economy. Yet these improvements were predicated on the transfer of DAVA funds and personnel to the respective military services. Additionally, the Air Force was further tasked to assume those DAVA functions which could not be reasonably transferred to the various services.

The Appropriations Committee, however, has taken action which seriously jeopardizes the services and DOD's ability to carry on the important, combat-related responsibility of the production, dissemination, and storage of military training films and photographic records.

By reducing the budget for audiovisual requirements by almost 50 percent, the Department of Defense will not only fail to realize the improvements it sought when it disestablished DAVA, but it will now be required to accept serious disruptions in both production and personnel.

In the committee report which accompanies H.R. 3629, the committee asserts that a number of the functions of the Defense Audiovisual Agency were already being duplicated by the separate services. Accordingly, the committee maintains, reducing the funds for audiovisual production from $21.9 million to $11.9 million will have no negative effect on either the production of audiovisual products or the personnel assigned to the Agency. This is simply not the case.

There are three primary services performed by DAVA which are not duplicated by the services presently and which will have to be performed at additional expense by the Air Force at Norton Air Force Base.

The production of category 3 films and training aids—those products which are used by all the services and within the Department of Defense—were produced exclusively by DAVA. This must now be assumed by the Air Force at Norton.

The safe storage of these important and often very expensive training films, combat photographic records, and training aids requires a specially controlled environment. None of the individual services presently have such a storage facility.

DAVA was charged with the responsibility disseminating audiovisual products Department wide. Military readiness will be directly impacted due to the inability of the training media centers to distribute the materials in stock. Nonuse of the available training materials, representing a multimillion-dollar investment, due to an inability to distribute them is false economy. The individual services have no such capability for coordinated distribution throughout the Department of Defense.

Finally, the sophisticated computer system required to manage the Department's vast supply of audiovisual assets was maintained exclusively by DAVA. This invaluable resource which prevents the wasteful duplication of films and training aids will be lost as a result of the committee's action. No replacement exists within the individual services.

Under the original Department of Defense plan for the disestablishment of DAVA, the Air Force was to assume these important functions at Norton Air Force Base, thereby ensuring the continued accessibility of all services to these vital audiovisual assets. With the committee reduction in funds going for audiovisual support, the Air Force will be unable to provide these former DAVA services.

Of great concern is the number of Air Force and private sector employees who will be negatively affected by the Appropriations Committee's decision to cut funding by 50 percent. Some 125 Air Force and former DAVA employees will be immediately affected by the committee action. Some will lose their jobs while others will be required to accept reductions or relocate to other installations.

Private contracts totaling some $13 million negotiated by DAVA must now be canceled. These cancellations will cost the U.S. taxpayer over $3 million with nothing to show for it but a canceled check.

However, these contract terminations will affect over 320 employees and their families. Since the audiovisual requirements must ultimately be met, the committee will eventually spend at least $16 million in the future in order to save $10 million this fiscal year. This figure does not begin to represent the human cost borne by those displaced by the committee's hasty actions.

Finally, I would like to point out, Mr. Chairman, that the committee did not consult with either the Air Force or its affected echelons of command at Norton Air Force Base before making this dramatic cut. Had it done so, I'm confident that such a reduction would not have taken place. I urge that these funds be restored in conference so that the cost savings envisioned by the Department of Defense when DAVA was disestablished may be realized and so that the important work now tasked to the Air Force at Norton Air Force Base may continue uninterrupted.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to get the attention of the chairman of the subcommittee and the ranking minority member.

When we were debating section 2, unfortunately I was hosting a luncheon with the head of the OMB.

I had an amendment at that time which I wanted to offer and, of course, now we have gone by it.

I have talked to the chairman of the subcommittee, the gentleman from Florida [Mr. CHAPPELL], and the ranking minority member and asked their indulgence.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Florida.

Mr. CHAPPELL. Do I understand the gentleman wishes to revert back to the proper section or put it in under the general language?

Mr. CONTE. Yes; I intend to ask unanimous consent to offer an amendment which is at the desk on page 117, and which states: "On page 117, after line 2, insert the following new section:"

Mr. CHAPPELL. Mr. Chairman, this side is familiar with what the gentleman wishes to do, and while we think this is the wrong appropriation bill to put it on, we have no objection.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I ask unanimous consent to offer an amendment on page 117, after line 2.

The CHAIRMAN pro tempore. The Chair wishes to inform the gentleman from Massachusetts [Mr. CONTE] that his amendment is under title VIII, and the gentleman does not need unanimous consent to offer it.

The clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 117, after line 2, insert the following new section:

SEC. 8102. There is appropriated, for expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, an additional $100,000,000, which shall be transferred to U.S. Coast Guard Operating Expenses to be available only for operations and training relating to the Coast Guard's defense and military readiness missions.

Mr. CONTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Chairman, I rise in support of my amendment to add $100 million to the Navy's operations and maintenance account, to be available for the performance of the Coast Guard's military and defense readiness missions.

I regret that this amendment has surfaced so late in the process of this bill. Unfortunately, it has just been recently that the full dimensions of the Coast Guard's need for additional funding to support its defense readiness missions has become clear.

Members of this body have heard me come to this well many times and explain how the Congress has repeatedly assigned new responsibilities to the Coast Guard, without providing the resources needed to fully carry out those responsibilities. The Coast Guard performs many critical civilian missions, including search and rescue, the provision and maintenance of aids to navigation, fisheries enforcement, environmental enforcement and response, and of course, drug interdiction.

But what sometimes gets lost in the forest is the fact that the Coast Guard is a branch of the Armed Forces, although the only branch outside of the Department of Defense. In time of war, or upon the direction of the President, the Coast Guard operates as a service in the Navy. In order to be in a position to perform in this capacity, the Coast Guard must perform various training and operational missions, in cooperation with the Navy, to maintain its state of defense readiness. It is this function which my amendment would support.

Much of the Coast Guard's role in wartime is to support and augment the U.S. Navy. One illustration of this is the formation of the maritime defense zones, to provide for the coastal defense of the United States. This includes not only protecting the coast against foreign intrusion, but also ensuring that our naval forces are able to break out of our coastal areas and assume their duty stations. The Coast Guard assumes special responsibilities for port safety and security under the high temp of port operations necessary to support a major conflict.

A good example of the Coast Guard's role in support of the Navy involved the recent activities in Grenada. The primary role involved coastal patrols for surveillance and interdiction, aimed at preventing the seaborne infiltration of men and material into Grenada. The Coast Guard's presence also showed the United States commitment to the new Grenadian Government. In addition, the Coast Guard established and trained a Grenadian Coast Guard.

The Navy had requested the assignment of Coast Guard patrol boats for these purposes, because of the Coast Guard's unique expertise and capability of conducting operations close to shore in relatively shallow waters. The several million dollars in additional costs incurred by the Coast Guard through its support of the Grenada operation were taken out of other Coast Guard resources—in other words, out of hide.

The value of the Coast Guard in defense readiness is clear. But the cost is increasing, and the resources are under severe pressure. I received a letter from the Coast Guard, indicating that for fiscal year 1984, the most recent year with actual data, the Coast Guard spent $101.7 million for its defense readiness program.

The amendment I am offering, for $100 million, is consistent with this fiscal year 1984 actual level, and would be consistent with the "freeze" approach taken by the committee for the overall defense appropriations bill.

Mr. Chairman, these funds are critical to our national defense, and I urge the adoption of this amendment.

Mr. Chairman, I include the following letter from Capt. W.T. Leland:

DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
*Washington, DC, October 30, 1985.*

Hon. SILVIO CONTE,
*House of Representatives, Washington, DC.*

DEAR MR. CONTE: In response to your request, this confirms information provided to your staff concerning the Coast Guard's Defense Readiness program. In FY 1984, based on actual data, costs associated with this program totalled $101,741,000.

Because of increased emphasis on this program, these actual costs significantly exceeded our original estimates of FY 1984 expenditures. We expect this increasing trend to continue. This will result from the improved defense readiness capabilities of our cutter fleet, particularly with the delivery of the new 270-foot class cutters and the significant upgrading of our existing 378-foot and 210-foot classes, respectively through the Fleet Renovation and Modernization (FRAM) and Mid-life Maintenance Availability (MMA) repair projects. Additionally, improved sensor systems will increase the capabilities of our HC-130 aircraft. Investments in Navy/DOD compatible communications equipment will modernize our command and control systems, which are intergral to coordinated operations with the other armed forces.

I think the pattern is clear. The current national emphasis on defense readiness is being reflected in the Coast Guard, too, although at a slower pace given the realities of our budget situations.

Sincerely,

W.T. LELAND,
*Captain, U.S. Coast Guard, Chief, Congressional Affairs Staff (by direction of the Commandant).*

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, let me understand the situation. Are we going back to title II?

Mr. CONTE. No, we are putting it on page 117, after line 2.

Mr. CHAPPELL. Then, Mr. Chairman, let me say that we are familiar with the amendment on this side. We believe that this is not really the best place for the appropriation, but we do recognize the problems we have in trying to overcome drug addiction and to stem the flow of drugs which are addressed in this amendment. While it is a sizable amount involved, we think that it is the proper thing under the circumstances to do, and we accept the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I thank my distinguished friend, the gentleman from Massachusetts, for yielding.

Let me say that my friend, the gentleman from Massachusetts, has explained the amendment to us and we are happy on this side of the aisle to accept it.

**Mr. STUDDS. Mr. Chairman, I rise in strong support of the amendment.**

**As Members know, the other body voted last week to cut the Coast Guard's budget by $230 million. In the world of the Coast Guard that's a lot of money.**

**If these funds are not restored, the Coast Guard, as we have known it in recent years, will cease to exist. More than 6,000 out of a total military force of 38,700 will be eliminated. More than 40 cutters will be decommissioned; more than 40 aircraft will be grounded; 3 air stations will be closed, and operations will be reduced at 12 others; 15 shoreside search and rescue stations will be closed; Coast Guard recruiting will come to a virtual halt; and the delivery of new equipment will be delayed.**

**The action in the other body is an invitation to those who smuggle drugs by sea to increase their operations; for drug smugglers are not bound by the congressional budget resolution, nor are their funding levels subject to the approval of the other body.**

**The reductions faced by the Coast Guard would result in at least a temporary end to foreign fisheries law enforcement; an invitation to foreign fishermen to steal America's marine resources at little or no risk to themselves.**

**Above all, the proposed cuts will damage seriously the ability of the Coast Guard to save the lives of those imperiled at sea.**

**Several Members of the other body said during the debate on the proposed reductions in funding for the Coast Guard that there really was nothing to worry about. The reductions were so outrageous, they argued, that the House would never accept them. "Ignore us," they were saying to the American people, "for we do not mean what we say, nor can we defend what we are about to do."**

**But they did it, nevertheless. And there is little likelihood, if you take even a simple look at the arithmetic, that the conference committee on the transportation appropriations bill will be able to fully restore these funds.**

**The DOD appropriations bill is not the ideal mechanism by which to provide necessary appropriations for the Coast Guard. But the military readiness and defense responsibilities of the Coast Guard are real;**

they are important; and they will not be performed unless the funds appropriated in this amendment are provided.

The vast majority of the funds in this bill are requested for the purpose of preparing the men and women of the Armed Forces in the Defense Department to participate effectively in the event of war or national emergency. But should such a war or national emergency arise, the Coast Guard, too, will be on the front lines, just as they have been in every war since the maritime battles with the Barbary Pirates almost 200 years ago.

The amendment proposed by the gentleman from Massachusetts will not remedy completely the potential disaster caused by the actions of the other body. But it will take us about halfway; it will make the work of the transportation appropriations conferees that much easier; and it will guarantee the ability of the Coast Guard to meet its military readiness and defense responsibilities in full.

It will also, and I believe just as importantly, send a message to the 5,500 civilians and 38,700 military personnel who make up the Coast Guard that the U.S. Congress has not utterly abandoned a rational set of priorities, and that the work these men and women do, and the risks they take, are still valued by those whose job it is to represent the views and interests of the American people.

Mr. LENT. Mr. Chairman, I commend the gentleman from Massachusetts; Mr. CONTE, for his amendment to add $100 million in support of the Military Readiness Program of the Coast Guard.

By law, under title 14, the Coast Guard must maintain a state of readiness to function as a specialized service in the Navy in time of war. The Merchant Marine and Fisheries Committee recently held a hearing on Coast Guard military readiness. In particular, we looked at the newly developed Atlantic and Pacific Maritime Defense Zone [MDZ] commands and the resources needed to carry out and integrate the Coast Guard into the defense establishment.

Under this MDZ concept, Coast Guard commanders report directly to the Navy fleet commanders for the Atlantic and the Pacific. Without this Coast Guard effort, there is virtually no planned naval defense of the ports and coastal areas of the United States. Through the MDZ command structure, such functions as port security, inshore undersea warfare, mine countermeasures, antiterrorism and countersabotage, naval control of shipping, antisubmarine warfare, shipping escort, and other similar functions are to be performed. Further, we discovered that the manning level in the Coast Guard Reserve is 50 percent of required strength while the rest of the military services are operating at nearly the 100-percent level.

We can no longer neglect this important area of our Nation's defense. This funding would provide for some of the equipment, manpower, planning, and exercising necessary at all levels within this defense structure.

Mr. Chairman, for these reasons I support this amendment and strongly urge its adoption by my colleagues.

Mr. CAMPBELL. Mr. Chairman, I would like to take this opportunity to express my concern over the language contained in the Department of Defense appropriations bill committee report.

The report directs the Department of the Navy to open for bid on a coastwide basis not only regular ship overhauls, but also all selected restricted availabilities intended for private shipyards. If this language is maintained, the Port of Charleston in my home State of South Carolina stands to lose a substantial amount of contracts. However, the loss of contracts is only one of my objections to the committee language. Also, I am concerned about the additional cost to the taxpayers who will have to pay as large naval vessels and contract personnel are required to travel up to 1,300 miles out of home port for a 1 or 2 month repair job. I am concerned with the effect on crew morale and retention rates, as officers and enlisted men come into port from long-term at-sea deployments and must then go to a different port for several months away from their families before going back to sea. And, lastly, I am concerned that the committee language would represent a sharp departure from all previous Navy policy, practices, and findings, with significant congressional factfinding and does nothing to improve levels of DOD competition, since private sector ship repair already is one of the most intensely competitive areas of Government procurement.

In closing, I feel the language included in the committee report complicates an already complicated ship repair planning process and I support action to reverse this ill-conceived policy.

Mr. DAVIS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts.

It is important to remind ourselves that the U.S. Coast Guard is, in fact, a military service. They have a very important mission to carry out in time of war. They actually become a part of our Navy and they have been an important asset to us in every war or conflict this Nation has had.

The readiness mission of the Coast Guard is one which I feel does not get the attention it needs. On October 23, the Subcommittee on Coast Guard and Navigation, of which I am ranking member, held a hearing to discuss the Coast Guard/Navy plans for cooperation in what is known as maritime defense zones. These zones have been set up to coordinate Coast Guard and Navy response to any threat to our Nation's ports and coastal areas.

During our discussion it became clear that the Coast Guard is not prepared for a full mobilization. We were told that the Coast Guard Reserve strength is only at 50 percent of need as outlined in the plans put together by the Coast Guard and Navy. Add that to regular personnel in the Coast Guard and we would still come up 20,000 people short of current planned needs for mobilization. We were told, too, that if a threat arose to our Nation's ports, the Coast Guard would have to make a judgment call on which ports were most crucial and just "let the rest go." I don't think that's a comforting thought; I don't think that's the way the Coast Guard wants it. But that is the way it is. This funding that we are trying to get for the Coast Guard for these reasons is extremely important. It will keep this state of affairs from deteriorating further.

The defense mission of the Coast Guard, as important as it is, is not the only subject we must address here today. We must tell our colleagues about the threat to the Coast Guard which we now face. The Coast Guard right now is facing a cut of $230 million from its operating budget. This action was taken in the Senate and will now have to be resolved by a conference committee. I am hopeful that we will be able to restore every penny of that money in conference with the Senate.

Further, we have found out that the Coast Guard already is preparing for these cuts by paring its operations. The Coast Guard Commandant has asked his troops to stop spending money in any way they can. We will see an end to drug interdiction routine patrols. Patrols will go out only on hard information about illicit activities. We will see a 50-percent cut in fisheries enforcement, we will see a postponement of maintenance. We will see shoreside instead of at-sea training. These are the things the Coast Guard is doing right now in anticipation of these cuts.

This is what just the threat of these cuts is doing to the Coast Guards' abilities to carry out its missions. There is no question that this situation is having a demoralizing effect on the men and women of the Coast Guard, 6,000 of which will be told to leave if these cuts are carried through conference.

It is of the utmost importance that we, under no circumstances, allow this to happen. I would like to urge all my colleagues now to vote for this amendment, and further, to be aware that your support for the Coast Guard is very important in the days to come.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to the bill?

Mr. CHAPPELL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MCCURDY] having assumed the chair, Mr. DORGAN of North Dakota, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore, Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. CHAPPELL. Mr. Speaker, I demand a separate vote on the so-called Frank amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 36, line 6, strike out "$8,043,527,000" and insert in lieu thereof "$6,297,527,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FRANK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 210, nays 214, not voting 10, as follows:

[Roll No. 378]

YEAS—210

| | | |
|---|---|---|
| Ackerman | Clay | Ford (TN) |
| Annunzio | Coelho | Fowler |
| Anthony | Conyers | Frank |
| Applegate | Coughlin | Garcia |
| Atkins | Coyne | Gejdenson |
| AuCoin | Crockett | Gephardt |
| Barnes | Daschle | Gibbons |
| Bates | Dellums | Glickman |
| Bedell | Dingell | Gonzalez |
| Beilenson | DioGuardi | Goodling |
| Bennett | Dixon | Gordon |
| Bereuter | Donnelly | Gradison |
| Berman | Dorgan (ND) | Gray (PA) |
| Biaggi | Downey | Green |
| Boehlert | Durbin | Guarini |
| Boggs | Dwyer | Gunderson |
| Boland | Dymally | Hall (OH) |
| Bonior (MI) | Early | Hamilton |
| Borski | Eckart (OH) | Hawkins |
| Bosco | Edgar | Hayes |
| Boucher | Edwards (CA) | Heftel |
| Boxer | Evans (IA) | Henry |
| Brown (CA) | Evans (IL) | Hertel |
| Bruce | Feighan | Hopkins |
| Bryant | Florio | Horton |
| Burton (CA) | Foglietta | Howard |
| Carper | Foley | Hughes |
| Carr | Ford (MI) | Jacobs |
| Jeffords | Mitchell | Sisisky |
| Jenkins | Moakley | Slattery |
| Johnson | Moody | Smith (FL) |
| Jones (NC) | Morrison (CT) | Smith (IA) |
| Jones (OK) | Mrazek | Smith (NE) |
| Kanjorski | Murphy | Smith (NJ) |
| Kaptur | Nowak | Snowe |
| Kastenmeier | Oakar | Solarz |
| Kennelly | Oberstar | St Germain |
| Kildee | Obey | Staggers |
| Kleczka | Olin | Stallings |
| Kostmayer | Owens | Stark |
| LaFalce | Panetta | Stokes |
| Lantos | Pease | Studds |
| Leach (IA) | Penny | Swift |
| Lehman (CA) | Perkins | Synar |
| Lehman (FL) | Petri | Tauke |
| Leland | Pickle | Torres |
| Levin (MI) | Rahall | Torricelli |
| Levine (CA) | Rangel | Towns |
| Lightfoot | Richardson | Traficant |
| Lipinski | Ridge | Traxler |
| Long | Roberts | Udall |
| Lowry (WA) | Rodino | Vento |
| Luken | Roe | Visclosky |
| Lundine | Roemer | Volkmer |
| MacKay | Rostenkowski | Walgren |
| Manton | Roth | Watkins |
| Markey | Roukema | Waxman |
| Martinez | Roybal | Weaver |
| Matsui | Russo | Weiss |
| Mavroules | Sabo | Wheat |
| Mazzoli | Savage | Whittaker |
| McCloskey | Saxton | Williams |
| McHugh | Scheuer | Wirth |
| McKernan | Schneider | Wise |
| McKinney | Schroeder | Wolpe |
| Meyers | Schumer | Wright |
| Mikulski | Seiberling | Wyden |
| Miller (CA) | Sensenbrenner | Yates |
| Miller (WA) | Sharp | Young (MO) |
| Mineta | Sikorski | Zschau |

NAYS—214

| | | |
|---|---|---|
| Alexander | Derrick | Kemp |
| Anderson | DeWine | Kindness |
| Andrews | Dickinson | Kolbe |
| Archer | Dicks | Kolter |
| Armey | Dornan (CA) | Kramer |
| Aspin | Dowdy | Lagomarsino |
| Badham | Dreier | Latta |
| Barnard | Duncan | Leath (TX) |
| Bartlett | Dyson | Lent |
| Barton | Eckert (NY) | Lewis (CA) |
| Bateman | Edwards (OK) | Lewis (FL) |
| Bentley | Emerson | Livingston |
| Bevill | English | Lloyd |
| Bilirakis | Erdreich | Loeffler |
| Billey | Fascell | Lott |
| Boner (TN) | Fawell | Lowery (CA) |
| Boulter | Fazio | Lujan |
| Breaux | Fiedler | Lungren |
| Brooks | Fields | Mack |
| Broomfield | Fish | Madigan |
| Brown (CO) | Flippo | Martin (IL) |
| Broyhill | Franklin | Martin (NY) |
| Burton (IN) | Frenzel | McCandless |
| Bustamante | Frost | McCollum |
| Byron | Fuqua | McCurdy |
| Callahan | Gallo | McDade |
| Campbell | Gaydos | McEwen |
| Carney | Gekas | McGrath |
| Chandler | Gilman | McMillan |
| Chapman | Gingrich | Mica |
| Chappell | Gregg | Michel |
| Chappie | Grotberg | Miller (OH) |
| Cheney | Hall, Ralph | Molinari |
| Clinger | Hammerschmidt | Mollohan |
| Coats | Hansen | Monson |
| Cobey | Hartnett | Montgomery |
| Coble | Hatcher | Moore |
| Coleman (MO) | Hefner | Moorhead |
| Coleman (TX) | Hendon | Morrison (WA) |
| Combest | Hiler | Murtha |
| Cooper | Hillis | Myers |
| Courter | Holt | Natcher |
| Craig | Hoyer | Neal |
| Crane | Hubbard | Nichols |
| Daniel | Huckaby | Nielson |
| Dannemeyer | Hunter | O'Brien |
| Darden | Hutto | Ortiz |
| Daub | Hyde | Oxley |
| Davis | Ireland | Packard |
| de la Garza | Jones (TN) | Pashayan |
| DeLay | Kasich | Pepper |
| Porter | Siljander | Tallon |
| Price | Skeen | Tauzin |
| Pursell | Skelton | Taylor |
| Quillen | Slaughter | Thomas (CA) |
| Ray | Smith, Denny (OR) | Thomas (GA) |
| Regula | Smith, Robert (NH) | Valentine |
| Reid | Smith, Robert (OR) | Vander Jagt |
| Rinaldo | Snyder | Vucanovich |
| Ritter | Solomon | Walker |
| Robinson | Spence | Weber |
| Rogers | Spratt | Whitehurst |
| Rose | Stangeland | Whitley |
| Rowland (CT) | Stenholm | Whitten |
| Rowland (GA) | Strang | Wilson |
| Rudd | Stratton | Wolf |
| Schaefer | Stump | Wortley |
| Schuette | Sundquist | Wylie |
| Schulze | Sweeney | Yatron |
| Shaw | Swindall | Young (AK) |
| Shelby | | Young (FL) |
| Shumway | | |
| Shuster | | |

NOT VOTING—10

| | | |
|---|---|---|
| Addabbo | Conte | Nelson |
| Akaka | Gray (IL) | Parris |
| Bonker | Marlenee | |
| Collins | McCain | |

□ 1420

The Clerk announced the following pair:

On this vote:

Mr. Collins for, with Mr. Nelson of Florida against.

Mr. JONES of North Carolina and Mr. SCHUMER changed their votes from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. RUDD

Mr. RUDD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RUDD. I am, Mr. Speaker, opposed to the bill in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RUDD moves to recommit the bill, H.R. 3629, to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRANK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 359, nays 67, not voting 8, as follows:

[Roll No. 379]

YEAS—359

| | | |
|---|---|---|
| Akaka | Dyson | Leath (TX) |
| Alexander | Early | Lehman (FL) |
| Anderson | Eckart (OH) | Lent |
| Andrews | Eckert (NY) | Levin (MI) |
| Annunzio | Edgar | Levine (CA) |
| Anthony | Edwards (OK) | Lewis (CA) |
| Applegate | Emerson | Lewis (FL) |
| Archer | English | Lipinski |
| Armey | Erdreich | Livingston |
| Aspin | Evans (IL) | Lloyd |
| Atkins | Fascell | Loeffler |
| AuCoin | Fawell | Long |
| Badham | Fazio | Lott |
| Barnard | Feighan | Lowery (CA) |
| Barnes | Fiedler | Lujan |
| Bartlett | Fields | Luken |
| Barton | Fish | Lungren |
| Bateman | Flippo | Mack |
| Bennett | Florio | MacKay |
| Bentley | Foglietta | Madigan |
| Bereuter | Foley | Manton |
| Berman | Ford (TN) | Martin (IL) |
| Bevill | Fowler | Martin (NY) |
| Biaggi | Franklin | Martinez |
| Bilirakis | Frost | Matsui |
| Bliley | Fuqua | Mavroules |
| Boehlert | Gallo | Mazzoli |
| Boggs | Gaydos | McCandless |
| Boland | Gejdenson | McCloskey |
| Boner (TN) | Gekas | McCollum |
| Bonior (MI) | Gephardt | McCurdy |
| Borski | Gibbons | McDade |
| Bosco | Gilman | McEwen |
| Boucher | Gingrich | McGrath |
| Boulter | Glickman | McHugh |
| Breaux | Gonzalez | McKernan |
| Brooks | Goodling | McMillan |
| Broomfield | Gordon | Meyers |
| Brown (CA) | Gradison | Mica |
| Broyhill | Gray (PA) | Michel |
| Bruce | Green | Mikulski |
| Bryant | Gregg | Miller (OH) |
| Burton (IN) | Grotberg | Miller (WA) |
| Bustamante | Guarini | Moakley |
| Byron | Gunderson | Molinari |
| Callahan | Hall (OH) | Mollohan |
| Campbell | Hall, Ralph | Montgomery |
| Carney | Hamilton | Moore |
| Carper | Hammerschmidt | Moorhead |
| Carr | Hansen | Morrison (CT) |
| Chandler | Hartnett | Morrison (WA) |
| Chapman | Hatcher | Mrazek |
| Chappell | Hawkins | Murtha |
| Chappie | Hefner | Myers |
| Cheney | Heftel | Natcher |
| Clinger | Hendon | Neal |
| Coats | Henry | Nichols |
| Cobey | Hiler | Nielson |
| Coble | Hillis | Nowak |
| Coelho | Holt | O'Brien |
| Coleman (MO) | Hopkins | Oakar |
| Coleman (TX) | Horton | Olin |
| Combest | Howard | Ortiz |
| Conte | Hoyer | Oxley |
| Cooper | Hubbard | Packard |
| Coughlin | Huckaby | Panetta |
| Courter | Hughes | Pashayan |
| Coyne | Hunter | Pease |
| Craig | Hutto | Penny |
| Crane | Hyde | Pepper |
| Daniel | Ireland | Petri |
| Dannemeyer | Jacobs | Pickle |
| Darden | Jeffords | Porter |
| Daschle | Jenkins | Price |
| Daub | Johnson | Pursell |
| Davis | Jones (NC) | Quillen |
| de la Garza | Jones (OK) | Ray |
| DeLay | Jones (TN) | Regula |
| Derrick | Kanjorski | Reid |
| DeWine | Kaptur | Richardson |
| Dickinson | Kasich | Ridge |
| Dicks | Kemp | Rinaldo |
| Dingell | Kennelly | Ritter |
| DioGuardi | Kindness | Robinson |
| Dixon | Kleczka | Roe |
| Donnelly | Kolbe | Roemer |
| Dornan (CA) | Kolter | Rogers |
| Dowdy | Kostmayer | Rose |
| Downey | Kramer | Rostenkowski |
| Dreier | LaFalce | Roth |
| Duncan | Lagomarsino | Roukema |
| Durbin | Lantos | Rowland (CT) |
| Dwyer | Latta | Rowland (GA) |
| Sabo | Snowe | Visclosky |
| Saxton | Snyder | Volkmer |
| Schaefer | Solarz | Vucanovich |
| Scheuer | Solomon | Walgren |
| Schuette | Spence | Walker |
| Schulze | Spratt | Watkins |
| Schumer | St Germain | Weber |
| Sensenbrenner | Staggers | Whitehurst |
| Sharp | Stallings | Whitley |
| Shaw | Stangeland | Whittaker |
| Shelby | Stenholm | Whitten |
| Shumway | Strang | Williams |
| Shuster | Stratton | Wilson |
| Sikorski | Stump | Wirth |
| Siljander | Sundquist | Wise |
| Sisisky | Sweeney | Wolf |
| Skeen | Swindall | Wolpe |
| Skelton | Synar | Wortley |
| Slattery | Tallon | Wright |
| Slaughter | Tauzin | Wyden |
| Smith (FL) | Taylor | Wylie |
| Smith (NE) | Thomas (CA) | Yatron |
| Smith (NJ) | Thomas (GA) | Young (AK) |
| Smith, Denny (OR) | Torricelli | Young (FL) |
| Smith, Robert (NH) | Traxler | Young (MO) |
| Smith, Robert (OR) | Udall | Zschau |
| | Valentine | |
| | Vander Jagt | |

NAYS—67

| | | |
|---|---|---|
| Ackerman | Kildee | Rudd |
| Bates | Leach (IA) | Russo |
| Bedell | Lehman (CA) | Savage |
| Beilenson | Leland | Schneider |
| Bonker | Lightfoot | Schroeder |
| Boxer | Lowry (WA) | Seiberling |
| Brown (CO) | Lundine | Smith (IA) |
| Burton (CA) | Markey | Stark |
| Clay | McKinney | Stokes |
| Conyers | Miller (CA) | Studds |
| Crockett | Mineta | Swift |
| Dellums | Mitchell | Tauke |
| Dorgan (ND) | Monson | Torres |
| Dymally | Moody | Towns |
| Edwards (CA) | Murphy | Traficant |
| Evans (IA) | Oberstar | Vento |
| Ford (MI) | Obey | Waxman |
| Frank | Owens | Weaver |
| Frenzel | Perkins | Weiss |
| Garcia | Rahall | Wheat |
| Hayes | Rangel | Yates |
| Hertel | Rodino | |
| Kastenmeier | Roybal | |

NOT VOTING—8

| | | |
|---|---|---|
| Addabbo | Marlenee | Parris |
| Collins | McCain | Roberts |
| Gray (IL) | Nelson | |

□ 1445

The Clerk announced the following pair:

On this vote:

Mr. Nelson of Florida for, with Mrs. Collins against.

So the bill was passed.

The result of the vote was anounced as above recorded.

A motion to reconsider was laid on the table.

## APPOINTMENT OF CONFEREES ON H.R. 3244, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT, 1986

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. SCHAEFER. Mr. Speaker, reserving the right to object, I ask the gentleman from Florida, has this been cleared through the gentleman from Pennsylvania?

Mr. LEHMAN of Florida. Mr. Speaker, will the gentleman yield.

Mr. SCHAEFER. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Yes, Mr. Speaker. I just received word from the gentleman from Pennsylvania [Mr. COUGHLIN], that he has no problem.

Mr. SCHAEFER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none and, without objection, appoints the following conferees: Messrs. LEHMAN of Florida, SABO, GRAY of Pennsylvania, CARR, DURBIN, MRAZEK, WHITTEN, COUGHLIN, CONTE, PURSELL, and WOLF.

There was no objection.

## NATIONAL DRUG ABUSE EDUCATION WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 126) to designate the week of November 3, 1985, through November 9, 1985, as "National Drug Abuse Education Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support of House Joint Resolution 126, designating the week of November 3, 1985, as "National Drug Abuse Education and Prevention Week." I thank the gentleman from Florida [Mr. BENNETT] for once again introducing this measure, and for his tireless, dedicated efforts in our Nation's continuing war against drug trafficking and drug abuse.

As ranking minority member of the Select Committee on Narcotics Abuse and Control I have witnessed firsthand the ravages of drug abuse. It has been my sad privilege to cochair hear-

ings throughout the country, with the distinguished chairman of the Select Committee on Narcotics Abuse and Control, the gentleman from New York [Mr. RANGEL]. We have taken testimony from drug smugglers and pushers, business professionals, and homemakers, film, television, and recording artists. All had been driven to near ruin by their involvement with illegal drugs. While the characters and places change, all of their stories were remarkably the same; drug abuse knows no social, economic, gender, or racial boundaries. There is something extremely valuable to be learned from these stories—stories that can and should be shared during National Drug Abuse Education and Prevention Week.

Of all of the reports that we hear relating to narcotics abuse, none are more poignant than those involving our young persons. Daily our children fall victim to the drug menace. In that regard I was pleased to introduce along with Chairman RANGEL, legislation addressing our States' growing need for support of their drug education and prevention efforts. H.R. 526, the State and Local Narcotics Control Assistance Act of 1985 authorizes the Attorney General to make grants to the States for the purpose of increasing the level of State and local enforcement of State laws relating to the production, illegal possession, and transfer of controlled substances. Our legislation also authorizes the Secretary of Health and Human Services to make grants to the States for the purposes of increasing the ability of the States to provide drug abuse prevention, treatment, and rehabilitation. We must identify and address the very real drug problem in this Nation if we are to free our communities, our schools, and our workplaces, from the ravages of drug abuse.

The adoption of this resolution will allow educators, employers, parents, community leaders, and law enforcement authorities to focus their efforts on educating, and thus preventing, drug abuse. Accordingly, I urge my colleagues to help in these efforts by supporting House Joint Resolution 128, designating the week of November 3, 1985, as National Drug Abuse Education and Prevention Week.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 126

Whereas, the illegal drug trade consists of approximately $79,000,000,000 in retail business per year;

Whereas, removing the damand for drugs would reduce the illegal drug trade;

Whereas, drug abuse destroys the future of many of the young people and adults in the Nation;

Whereas, the eradication of drug abuse requires a united mobilization of national resources, including law enforcement and educational efforts; and

Whereas, the most effective deterrent to drug abuse is education of parents and children in the home, classroom and community: Now, therefore, be

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of November 3, 1985, through November 9, 1985, is designated as "National Drug Abuse Education Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to participate in drug abuse education and prevention programs in their communities and encouraging parents and children to investigate and discuss drug abuse problems and possible solutions.

**Mr. BENNETT. Mr. Speaker, I have a deep interest in the predicament this nation faces in regard to drug abuse. Use of illegal drugs saps our country and strikes at the very root of our culture. This is why this commemorative week is so important—because it reminds us of what we face and the peril involved if we do not act. This commemorative week is especially important because in our heightened awareness of the terrible drug abuse problem it helps to address attention to possible solutions. The war against drugs is one of the most fundamentally important struggles we face as a people. Eradication of drug abuse requires a united mobilization of national resources, including law enforcement and educational efforts. As a nation we must work to educate people—family, friends, ourselves—about this terrible evil. Together—and only together—can we beat drug abuse in our society.**

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## NATIONAL DIABETES MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 145) designating November 1985 as "National Diabetes Month" and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 145

Whereas diabetes with its complications kills more than any other disease except cancer and cardiovascular diseases;

Whereas diabetes afflicts twelve million Americans and over five million of these Americans are not aware of their illness;

Whereas more than $14,000,000,000 annually are used for health care costs, disability payments, and premature mortality costs due to diabetes;

Whereas up to 85 per centum of all cases of noninsulin dependent diabetes may be preventable through greater public understanding, awareness, and education;

Whereas diabetes is particularly prevalent among black Americans, Hispanic Americans, Native Americans, and women; and

Whereas diabetes is a leading cause of blindness, kidney disease, heart disease, stroke, birth defects, and lower life expectancy, which complications may be reduced through greater patient and public understanding, awareness, and education: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the month of November 1985 is designated as "National Diabetes Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

**Mr. HOYER. Mr. Speaker, today the House passed House Joint Resolution 314 (S.J. Res. 145), a bill to designate November of this year as "National Diabetes Month." As you know, House Joint Resolution 314 has over 220 cosponsors, including Members of Congress from both sides of the aisle and from each region of our Nation.**

**Diabetes is one of the most serious health problems of our time. Twelve million Americans are affected by this disease, and a large percentage of these individuals are not aware of their condition. Each year an estimated 500,000 more Americans are told by their physicians that they have diabetes.**

**Diabetes with its complications kills more Americans than all other diseases. When is strikes children, diabetes can result in rapid fatality unless the life-saving hormone insulin is administered almost immediately. Everyone with diabetes faces long-term complications which may cause heart disease, stroke, kidney failure, blindness, severe nerve disorders and amputations. The human toll of diabetes cannot be estimated. But the economic toll is approximately $14 billion annually due to medical costs, lost work days, disability payments and premature death from this chronic disease and its complications.**

**House Joint Resolution 314, and its companion bill Senate Joint Resolution 145, were introduced to promote three major purposes. First, the designation of November as National Diabetes Month will serve to call the human and economic costs of diabetes to the attention of the American people, thereby promoting wider understanding of the challenges we face in seek-**

**ing to lessen the impact of the disease. Second, National Diabetes Month will provide a forum for seminars, speeches, workshops, and other activities designed to help educate the public with regard to methods of diagnosing, treating and coping with diabetes. Finally, the resolution seeks to highlight the need for continued funding of biomedical research into the causes, treatments, and potential cures of diabetes. It is my hope that passage of the House joint resolution (S.J. Res. 145) will accomplish each of these goals.**

The Senate joint resolution was ordered to be read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

## NATIONAL REYE'S SYNDROME WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 29) to designate the week of November 11, 1985, through November 17, 1985, as "National Reye's Syndrome Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, further reserving the right to object, I would like to compliment the distinguished gentleman from Ohio [Mr. LATTA] for championing this bill through the House.

Reye's syndrome is one of the Nation's leading killers of children, and his efforts to enlighten all Americans about the devastating effects of this disease are worthy of our praise.

Mr. Speaker, under my reservation, I yield to the gentleman from Ohio [Mr. LATTA] who is the chief sponsor of House Joint Resolution 122.

Mr. LATTA. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I rise today in support of Senate Joint Resolution 29. As the chief sponsor of the House bill, I was able to secure over 225 of my colleagues to cosponsor the bill.

Reye's syndrome is a disease of unknown cause which normally attacks healthy children 18 years of age and under, both male and female, which can kill or cripple more than half of its victims within several days by attacking the muscles, liver, brain, and kidneys, and which affects every organ in the body.

Reye's is recognized by the Food and Drug Administraton to be 1 of the top 10 killers among all children's diseases.

Reye's syndrome was first recognized as a specific illness in 1963 but is not a new illness since children have been affected by it for decades during which it was improperly diagnosed.

National Reye's syndrome volunteer organizatons are established throughout the United States and are supported by thousands of parents. These volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's syndrome research; to encourage coordination of the treatment and research centers; to establish Reye's syndrome as a reportable disease in every State; and to establish at the Center for Disease Control a position for the review of data on Reye's syndrome patients.

It is important to educate the public to the problems of the disease and, therefore, important to set aside a week to recognize this devastating children's disease. I urge that the bill be approved.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 29

Whereas Reye's syndrome is a disease of unknown cause that usually attacks healthy children nineteen years of age and under, and kills or cripples more than half of the victims within several days;

Whereas Reye's syndrome is one of the top ten killers among all diseases of children aged one to ten;

Whereas Reye's syndrome was a misdiagnosed illness of children until recognized as a specific illness in 1963;

Whereas the current reporting of cases of Reye's syndrome may not provide an accurate appraisal of the incidence of the disease because not all States are required to report such cases to the Centers for Disease Control;

Whereas national Reye's syndrome volunteer organizations are established throughout the United States and are supported by thousands of parents;

Whereas such volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's syndrome research, to encourage coordination of the treatment and research efforts by the various Reye's syndrome treatment and research centers, to establish Reye's syndrome as a reportable disease in every State, to establish a position for the review of data on Reye's syndrome patients at the Centers for Disease Control, to sponsor programs to educate parents and medical professionals with respect to diagnosis and treatment of the illness, and to raise funds for research into the cause prevention and treatment of Reye's syndrome;

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Reye's syndrome; and

Whereas the Governors of several States have declared Reye's syndrome weeks: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of November 11, 1985, through November 17, 1985, is designated "National Reye's Syndrome Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. GARCIA: Strike out all after the resolving clause and insert in lieu thereof the following:

That the week of November 11 through November 17, 1985, is designated "National Reye's Syndrome Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from New York [Mr. GARCIA].

The amendment in the nature of a substitute was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. GARCIA: Amend the preamble to read as follows:

Whereas Reye's Syndrome is a disease of unknown cause which normally attacks healthy children eighteen years of age and under, both male and female, which can kill or cripple more than half of its victims within several days by attacking the muscles, liver, brain, and kidneys, and which affects every organ in the body;

Whereas Reye's Syndrome is recognized by the Food and Drug Administration to be one of the top ten killers among all children's diseases;

Whereas Reye's Syndrome was first recognized as a specific illness in 1963 but is not a new illness since children have been affected by it for decades during which it was improperly diagnosed;

Whereas the reporting of cases of Reye's Syndrome is required in only one-half of the States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the other territories and possessions of the United States;

Whereas national Reye's Syndrome volunteer organizations are established throughout the United States and are supported by thousands of parents;

Whereas such volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's Syndrome research; to encourage coordination of the treatment and research efforts by the various Reye's Syndrome treatment and research centers; to establish Reye's Syn-

drome as a reportable disease in every State; to establish at the Center for Disease Control a position for the review of data on Reye's Syndrome patients; to sponsor a multicenter research study by recognized authorities on Reye's Syndrome; to sponsor programs to educate parents and medical professionals with respect to diagnosis and treatment of the illness; and to raise funds for research into cause, prevention, and treatment of Reye's Syndrome;

Whereas the public, the Federal Government in general, and the Congress in particular, are not sufficiently aware of the continuous increase in the incidence of Reyes Syndrome; and

Whereas the chief executive officers of several States have declared Reye's Syndrome weeks: Now, therefore, be it

Mr. GARCIA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the preamble be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from New York.

The amendment to the preamble was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

AMENDMENT TO THE TITLE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. GARCIA: Amend the title so as to read: "Joint resolution designating the week of November 11 through November 17, 1985, as 'National Reye's Syndrome Week'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

## NATIONAL ALOPECIA AREATA AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 282) designating the week beginning October 27, 1985, as "National Alopecia Areata Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation I yield to the gentleman from Pennsylvania [Mr. KOSTMAYER] who is the chief sponsor of the measure.

Mr. KOSTMAYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of House Joint Resolution 282, a bill which I introduced on May 8 of this year designating the week of October 27 as National Alopecia Areata Week.

Alopecia areata is a serious disease which affects 2 million people, particularly children and young adults. It occurs when the hair follicles stop production, causing severe hair loss. It is common for alopecia victims to lose all of their hair, including eyelashes, eyebrows, and body hair.

Since alopecia areata has no physically debilitating effects, it is hard for most of us to understand just how devastating this disease can be. Most alopecia victims hide their condition from friends and even family members, living in fear that someone will discover their secret. Alopecia is particularly traumatic for children and young people, who are its primary victims. Those of us who have children know just how unkind children can be to someone who is different.

I first learned about this little-known disease from Dolly Dowd of Levittown, PA. Dolly, whose daughter has alopecia, has worked tirelessly to bring this disease to the attention of the public and the Congress. Dolly also introduced me to Judith Ross, president of the National Alopecia Areata Foundation, who has devoted so much time in the past year to gathering support for House Joint Resolution 282, and to Whitfield Lee of North Carolina who founded the National Alopecia Areata Research Foundation to raise money for alopecia research.

I want to congratulate Dolly, Judith, and all of the people across the country who have worked so hard to have this week declared National Alopecia Areata Awareness Week. I know that they are working with the same energy during this week to promote a better understanding of alopecia among the American people.

Researchers have found evidence that alopecia is caused by a problem with the body's immune system, and they believe that a cure is within reach. At this time, however, there is no Federal support for alopecia research.

With sufficient research funding, it is possible that researchers could discover a cure for alopecia areata in this decade. But now alopecia victims need more than dollars—they need our understanding. Most of the trauma associated with alopecia is a direct result of the public's ignorance of the disease and of our inability to accept alopecia victims as normal members of society. That is why I believe it is crucial to set aside a week to promote awareness of alopecia areata.

Over 220 of my colleagues have joined me as cosponsors of House Joint Resolution 282. I want to thank them for their help, and to urge all of my colleagues to support this measure.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 282

Whereas alopecia areata is a serious disease affecting approximately two million people;

Whereas alopecia areata, which usually afflicts children and young adults, causes severe and often permanent hair loss;

Whereas the coordinated efforts of support groups in forty-two States have helped thousands of people cope with the physical and emotional problems caused by alopecia areata;

Whereas much of the trauma associated with alopecia areata could be reduced through greater public awareness, understanding, and education; and

Whereas the cause of alopecia areata is unknown, and promising research efforts to find a cure for the disease should be promoted: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week beginning October 27, 1985, is designated as "National Alopecia Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the four joint resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

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## RETAIN STATE AND LOCAL TAX DEDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. BARNES] is recognized for 5 minutes.

**Mr. BARNES. Mr. Speaker, one of the major issues facing the Ways and Means Committee in its consideration of tax reform legislation is the President's proposal to eliminate the deduction for State and local income and real property taxes.**

**The President's plan represents an extreme approach to raising revenue and ignores the consequences for States and localities and individual taxpayers. It is targeted against those States which have tried to deal with the major problems of urban centers, poverty, education, public safety, and the quality of life, with harsh consequences for many States particularly in the Northeast and Midwest.**

**Mr. Speaker, the ostensible purpose of tax reform is to ensure fairness. It is not to discriminate against regions of the country or to disrupt the operations of State and local governments which depend on the property tax and on public support for State expenditures to fund vital public services such as education, police and fire protection and the public works infrastructure.**

**The President's plan violates that concept by favoring States which have opted for lower levels of government activity and lower levels of support for public services. Since the Reagan administration has been attempting to abolish existing Federal domestic programs and other expenditures specifically designed to aid localities, such as revenue sharing, it makes no sense for the administration to further harass those States which are willing to pursue the responsibilities of governing a complex society.**

**Another major consequence of the President's plan impacts on individuals by undermining the ability of Americans to purchase and maintain homes. The property tax deduction is a vital component of the incentives for home ownership. In addition, by weakening the States' fiscal base, repeal of the deductions may make it increasingly difficult for the States to maintain confidence in general obligation bonds they issue for various purposes. Interest rates may be forced up as a result.**

**Inclusion of these provisions in any tax bill recommended by the Ways and Means Committee will almost surely result in the defeat of the tax reform legislative package.**

**Mr. Speaker, I have cosponsored House Resolution 105, a resolution urging the Ways and Means Committee to retain the deductibility of State and local taxes. Nothing could be more reckless than to attack our State and local governments, which are far more vulnerable fiscally and have far less resources than the Federal Government. Tax reform should not be a Trojan horse for further drastic cuts in public services.**

## CONGRESSMAN BARTLETT "ADOPTS" TWO SOVIET REFUSENIKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTLETT] is recognized for 5 minutes.

Mr. BARTLETT. Mr. Speaker, I rise today to address the issue of Soviet Jewry. As the summit approaches, I know a large number of Americans and Members of this House and the administration continue to be concerned and to raise the issue of Soviet Jewry and Soviet emigration. I would raise today the issue not in abstract terms, as it will be discussed at the summit and elsewhere, but an issue of very real human terms, so I rise to discuss the plight of two friends of mine, very real human beings, who are caught up in the struggle.

In our country, the struggle for improved emigration as well as cultural and religious rights for Soviet Jews has been ongoing for almost two decades now. I speak today about two refuseniks whom I had the pleasure of meeting while on a trip earlier this year to the Soviet Union. I was impressed by the resolve of these two men and, consequently, I have "adopted" them as friends. I regard them as friends, and I regard them as human beings that the Soviet Union should allow to leave. So I bring their plight to the attention of the House and the American people today as we approach the summit.

The first is an individual named Yakov Rabinovich. Yakov Rabinovich is a resident of Leningrad. He first applied for permission to emigrate with his family in 1978. In a typical caprice of the Soviet bureaucracy that only the Kremlin could understand, Mr. Rabinovich's wife and two children were allowed to leave Russia in 1980. But Yakov remains in the Soviet Union, spuriously characterized as having access to "state secrets." That is because his previous job, prior to 1972, was as one of thousands of shipbuilding engineers and designers.

Now, without exception, every type of ship that Yakov Rabinovich had previously helped to design in however small a fashion has already been exported to other countries around the world. That is to say, not just the design, but the ships themselves have been exported to another country. Therefore, whatever "state secrets" he may have been alleged to possess at one time could no longer possibly be considered "secret." Since his decision to emigrate, Yakov Rabinovich has worked in a factory manufacturing machines. He misses his family dearly. His son this summer graduated from Brandeis University. Sometimes Yakov is allowed to receive letters and phone calls from his family, and sometimes even though they try to get through, he is not allowed to receive their communications.

The second is Dr. Aleksandr Ioffe of Moscow. Dr. Ioffe is internationally prominent in academic fields relating to science and mathematics. Since filing an application with his family in 1976 to emigrate to Israel, which was also denied on the charge of access to Soviet "state secrets," Dr. Ioffe has been placed under surveillance. He has been threatened with his fellow refuseniks' fate, and his wife has been called in by the KGB and warned to stop her so-called nationalistic activities, the "nationalistic activities" consisting of wanting to be reunified with her family and repatriated. He has also been demoted to a lower teaching position.

I met Dr. Ioffe and his family. I have never encountered such warmth, such friendship, such resolve, such optimism, in the face of what could only be described as pessimistic circumstances, in my life. You see, they are denied their basic rights to practice their religion. All they are asking for is to join the rest of their family in another country, and for that they are punished severely. They remain in good spirits, and they put out the welcome mat for visitors.

I enjoyed having an opportunity to meet with these gentlemen. Their spirits are good, they are optimistic, but they realize that they will never be allowed to leave until the Soviets decide by the basics of their agreements under the Helsinki accords. It was clear that both Yakov and Aleks remained determined to persist with their struggle to emigrate. Though they have no basis for that optimism in fact, they are in good spirits. They are grateful for any efforts made in the West on behalf of them and other refuseniks, and they both said that their only hope lies in America.

I encourage my colleagues, as many have done, to continue their active involvement in the struggle to grant refuseniks the basic freedoms guaranteed under international law.

I would add a note about some recent developments. Just today it was announced that perhaps Yelena Bonner, a rather celebrated refusenik, may be allowed to leave, and perhaps improvements are being made. The President has placed the item of human rights and Soviet Jewry emigration on the summit. The only hope for the refuseniks, some 300,000 of them, is from the West, and the pressure of the spotlight of America.

Helsinki was signed in 1975, guaranteeing family reunification and national repatriation. It is difficult for many of us in the United States to think very highly of any new agreements when Helsinki lies so dormant and so unused and so neglected and so denied.

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

**Mr. NELSON of Florida. Mr. Speaker, due to official business, I was unable to be present for rollcall vote Nos. 373 to 375 on October 29, 1985. Had I been present, I would have voted "aye" on roll No. 373, final passage of H.R. 3606, defense cost and price management; "aye" on roll No. 374, education for handicapped children anni-**

**versary; and "aye" on roll No. 375, agreeing to the rule for consideration of the Department of Defense authorization conference report. Due to official business, I was unable to be present for roll No. 296, September 5, 1985. Had I been present, I would have voted "nay" on the Walker amendment to strike authorizations for contributions to State rail inspections.**

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

**Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent on Tuesday, October 29, 1985.**

**Had I been present, I would have voted:**

**"Yea" On roll No. 375, approving House Resolution 299 which waived certain points of order for consideration of S. 1160, the conference report on the Defense Department authorization bill.**

**"Yea" on roll No. 376, approving the conference report which accompanies H.R. 2942, the legislative branch appropriations bill for fiscal year 1986.**

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. TORRES] is recognized for 5 minutes.

Mr. TORRES. Mr. Speaker, I was not present for rollcall votes No. 373 through 376 on Tuesday, October 29. Had I been present on the House floor, I would have cast my votes in the following manner:

Roll No. 373, final passage of H.R. 3606, to clarify application of section 2406 of United States Code, title X; "yea."

Roll No. 374, final passage of House Concurrent Resolution 201, 10th anniversary commemoration of Education for All Handicapped Children Act; "yea."

Roll No. 375, passage of House Resolution 299, the rule waiving certain points of order against the DOD authorization conference report; "yea."

Roll No. 376, passage of the conference report on H.R. 2942, legislative branch appropriations; "yea."

## THE DEFICIT AND OUR NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

Mr. CRAIG. Mr. Speaker, I come to the floor again tonight in a special order to discuss with my colleagues an issue that ranks No. 1 in the minds of the American public today, an issue that is talked about on this floor a great deal and with growing intensity and growing fervor over the last 5 years, but an issue which no one seems to want to do really anything about. And, of course, that is the question of our deficit and our national debt.

I have served in Congress for the people of the First District of Idaho now for some 5 years, and when I first came to Congress one of my goals was to work for reduction in national debt and to move toward a balanced budget. At that time the deficit was running annually at $60 to $80 billion, and the national debt of our country was less than $1 trillion. I was not the only one. At that time Members of this House, economists across the country and a good many Americans recognized that, if we somehow did not grasp hold of and gain control of the deficit and the growing national debt, we could expect at some time in our future a major economic crisis in this country.

Now, that was 5 years ago. The deficit today has now been recorded, at least for fiscal year 1985, of well over $200 billion. We are anticipating a deficit for fiscal year 1986 of nearly $200 billion. And this evening, in another rather historic meeting, just a block from here, House and Senate conferees are meeting to try to arrive at a solution to an amendment to the debt ceiling, a debt ceiling that must be acted upon by this Congress that would move our national debt not from less than $1 trillion that it was less than 5 years ago but to the $2 trillion level. And they are bound up in discussion on how to control deficits. The historic debate is going on around an amendment that was placed on the debt ceiling legislation in the other body called the Gramm-Rudman amendment, known here in the House as the Mack-Cheney amendment, which would provide a system, a procedure under which this body, this House, and the other body would operate over the next 6 years to reduce the deficit by some $36 billion a year, to arrive at a balance between revenues and expenditures by 1991.

There are those of us who believe that this is fundamentally important legislation, legislation that must be enacted by this body if we are to begin a slow but sure path toward fiscal responsibility, toward eliminating the deficit and at some point being able to focus our attentions on a $2 trillion national debt, a $2 trillion national debt that in fiscal 1986 will require a direct outlay of some $143 billion just to pay interest on that debt.

It is almost unbelievable that now the third largest item in the Federal budget is interest alone on the debt.

If the word "immoral" can be used, I suspect there is no act more immoral than to spend for your own interests today and to pass on the debt of that spending to your children and your grandchildren, and yet every day on this House floor and on the floor of the other body we continually vote for programs and with the move of a hand or the push of a button pass on the accumulation of debt that is brought about by the expenditures of those programs to our children and our grandchildren. We are saying quietly to them, "We are going to leave you with this legacy, we are going to leave you with a legacy of some $2 trillion of national debt, and in so doing that we are going to expect you to pay for it."

That is the debate that is currently underway. That is the debate that must be fundamental to this body in the coming days if we are to bring any kind of solution at all to the question of deficit and, of course, the question of debt.

The time that we have discussed this issue has gone on for well over 20 years. It is not a new topic of deficit. My colleague from Oregon, who now stands, and I have discussed this issue on a variety of occasions. He, like others, has joined with me on a critical piece of legislation, a constitutional amendment to balance the budget. There are others in this body who have been interested and active on that issue. But it is interesting for me to watch the accumulated vote of a variety of Members of this Congress, where I find they consistently vote for programs that they know will spend us into deficit while at the same time they talk so openly and cry so loudly about the deficit and the accumulated debt at hand.

Mr. AUCOIN. Mr. Speaker, will the gentleman yield?

Mr. CRAIG. I yield to my colleague, the gentleman from Oregon.

Mr. AUCOIN. I appreciate the gentleman yielding. I understand exactly what he is saying when he talks about our colleagues who stand and talk about the need to balance the budget but then when it gets down away from the procedural points and down to the points where the rubber really meets the road, and that is the question of whether we spend or do not spend, they end up voting to spend rather than not to spend. I am wondering, knowing the gentleman's feelings about Gramm-Rudman and other deficit reductions, which are really procedures, I think he would concede—and I know he does support that—how he can reconcile his support for those, however, with his vote, for example, just a few minutes ago on the MX, which would have been an opportunity for him to have saved $1.6 billion, but my reading of the rollcall vote was that the gentleman voted to spend $1.6 billion on test missiles for the MX, over and above what the House budget resolution's position was.

Now, there is where the rubber met the road, there was a chance to vote Gramm-Rudman into effect right now, but the gentleman did not vote that way.

Mr. CRAIG. I think the gentleman knows that games that are oftentimes played on the floor—and, of course, he himself has engaged in that kind of gamesmanship and game playing from time to time. If you look at the specific MX vote, it was money that was being taken from a budget that was already in place and that was well within the design of the budget that had already been approved by this Congress, in lieu of the kind of deficit reduction that I am talking about. I am talking about a $36-billion to $40-billion deficit reduction on an annual basis. And my vote today was consistent with that kind of deficit reduction because it was an expenditure programmed into an already projected debt reduction. And, of course, that is what Gramm-Rudman does. It causes us to make the tough votes but it also causes us to keep our spending, as the gentleman well knows, within the confines of specific goals and specific debt reduction programs or projections.

□ 1515

Of course, my vote today was consistent with that, as my colleague from Oregon knows.

Mr. AuCOIN. If the gentleman will yield, the gentleman knows that if Gramm-Rudman is approved, and I assume that the gentleman is going to support it, that we are going to have to do a great deal more on the military spending side as well as on the domestic spending side in order to meet those 20 percent targets.

Before Gramm-Rudman comes into being, you can point to an MX program, lots of domestic programs, that had assumptions built in about levels of spending into the future, but what Gramm-Rudman does, I think that is why the gentleman says he supports it, is to change all those assumptions, and say that instead of projecting deficits into the future as far as the eye can see at a level of about $200 billion, we are going to start reducing by a 20-percent rate each year. That means we are going to have to rethink some of our assumptions.

I would think that the MX should not be exempt; I wonder why could we not begin Gramm-Rudman there?

Mr. CRAIG. Reclaiming my time, I think the gentleman well knows my voting record. When it compares with his voting record, I think that one might say I was rather conservative fiscally and one might also say the gentleman was not as conservative as I, fiscally.

Mr. AuCOIN. I think the gentleman misspeaks himself on that one.

Mr. CRAIG. Well, we will let the national ratings make the point. The point is, as I have just stated it, consistent with the expenditure, more importantly, consistent with the budget and the whole of the budget as represented by the defense expenditure. Not a specific program pulled from that expenditure. I think my vote was consistent. I think that I am going to be very willing to vote for Gramm-Rudman and take the cuts in defense and take the cuts in social programs that I would suggest a good many colleagues from the gentleman's side of the aisle will find it very difficult to do, because I have believed for a long time that no program, no program that we vote on should be exempt from consideration as it relates to deficit reduction and ultimate debt reduction. That is because I, fundamentally, believe that the way we put people to work in this country, the way that we build a vital economy, that answers to the phenomenal number of people that are out of work in my colleague's State of Oregon right now——

Mr. AuCOIN. And in the gentleman's district as well.

Mr. CRAIG. A State that has a large part of its economy based on agriculture and the forest products industry, is a result of deficit spending and a high-valued dollar in international currency that has caused phenomenal difficulties in our country.

I think that my voting record, as borne out by a good many national rating groups, would say to my constituents and to my colleague's constituents in Oregon, that my vote is very consistent with reduction of deficits and recognizing that the great value of the economy rests not here with this body, and all of the marvelous programs that have been perpetrated by this body over the years, but well the economy of a country that is not, shall we say, weakened on a constant basis by programs and expenditures from this House that in large part draw such large amounts of money from the gross national product.

I yield to the gentleman from Colorado [Mr. BROWN].

Mr. BROWN of Colorado. I thank the gentleman for yielding to me.

Mr. Speaker, I would not presume on the gentleman's time too much, but I would like to make several observations.

First of all, I am familiar with the National Taxpayers Union rating that takes into account all votes with regard to spending. Military as well as social spending programs. The gentleman has one of the best voting records of Congress in terms of being willing to control spending in all sectors.

The second point I would like to make, I think the gentleman has raised a very interesting point that I think is well worth commenting on. That is the MX itself. As the gentleman points out, every vote we have is one where we have an opportunity to control spending. I might say that when it comes to military spending, I have noted the Democratic majority in this House in the 5 years I have been here has consistently voted for the defense bills. You have had a majority of the Democratic Members vote for those defense bills. I might say that many times I have found myself voting against those defense bills because the spending level has been too high.

I think when you come to trimming military spending or controlling the size of the increases, at least where this Member feels where you might want to trim, is not in the high technology areas where you have the most cost-effective weapons and way of defending this country. But in the low technology areas that are the least cost-effective.

With regard to the MX vote, it seems to me that someone who wants to control spending in the military budget would be very much inclined to vote for the MX because it is high technology, it is very sophisticated and one of the most cost-effective weapons this country has. If you wanted to trim the budget, where you would try and trim it is in the least cost-effective areas.

So I hope the point will not be missed that unilateral disarmament with regard to accurate long-range missiles is not the way to control spending in the military budget. I think dealing with perhaps paying for the defense of Japan, having a third of a million troops in Europe, having aircraft carriers that are extremely vulnerable to a single missile are areas that at least I would think would be far more efficient to control military spending.

I thank the gentleman again for yielding to me.

Mr. CRAIG. I thank my colleague for his observation.

Mr. Speaker, of course, if we wish to focus the entire debate on the deficit and the debt on the MX vote, then we can do that. That is rather pale as a total debate when it relates to the entirety of a budget. The constant nickel and diming that we do in the form of a quarter to a half to three-quarters to a billion dollars on almost a daily basis on this floor in every appropriations bill that comes across. Once we have established a budget, once we have arrived at a conference report that basically says this will be a level of spending, then we find ourselves always wishing to exceed it.

I well remember when I joined my colleagues several years ago in reducing at first by 50 percent the amount of the MX Program, by knocking out the Race Track Program.

A colleague who now serves in the other body, PAUL SIMON and I, offered the amendment on MX that knocked out the Race Track Program that would have been a multibillion-dollar boondoggle, in my opinion and in the opinion of Senator SIMON, and I think

in the opinion of my colleague from Oregon. So we have stood together in reducing down to what now is believed to be an effective and responsible and responsive number of MX missiles basically as a replacement mode for Minuteman, to a level within the budget that is consistent with the kind of fiscal responsibility that I think my colleague from Colorado refers to.

So if we want to play the game of who wishes to vote where and under which shell does the pea lie, then of course my colleague from Oregon can make those kinds of observations.

But in the whole of the debate, and in the fineness of the context, I think my colleague from Oregon knows from where he comes, and that basis, as it relates to this argument, is weak at best.

I yield to the gentleman from Oregon.

Mr. AuCOIN. I thank the gentleman for yielding.

Mr. Speaker, the only reason that I asked the gentleman to yield in the first place, and I assure the gentleman that it was not to attack his personal voting record, but to illustrate a point.

We are about to vote on Gramm-Rudman, a proposal that will indeed, if passed, and I assume it is going to pass, will call for a reduction by 20 percent in the deficit over the next 5 years, each year. In doing so, we are going to be voting for a procedure. That is a procedural change. The point the gentleman was making when I asked him to yield was that how easy it is for Members on either side of the aisle to stand up and support some procedural method of getting at what I consider to be, and what I know the gentleman considers to be, the No. 1 economic problem facing this country and that is these structural deficits that are going to kill the economy and are certainly driving the trade deficit and are really poison for America's economy in the present and the future.

They talk about the deficit by coming up with procedural remedies, but when they have a chance to vote for actual cuts, either on the domestic, nonmilitary side or on the military side, we always find that somehow or other the 218 votes for the cuts do not show up; do not materialize.

I am just saying to the gentleman as a liberal Democract who voted this year to freeze school lunch funding, and I will not take a back seat to anyone in terms of my own budget discipline. You talk about my basic political constituency; it is one that expects me to vote for increases in school lunch funding.

□ 1525

I voted to freeze school lunch funding, as an illustration to the gentleman of the kinds of steps I think we need to do across the board in order to arrest this problem.

What I object to is when liberals or Democrats on this side of aisle will rale away against the deficit and call for some abstract solution but fail to bite the bullet and do what is necessary on their sacred cows, and when the gentleman and his colleagues on the other side of the aisle say we ought to balance the budget but they reserve the right to protect their sacred cows and expect that somehow it is going to be put together that way.

We had a chance today, as one illustration, to cut $1.6 billion out of MX flight test missiles. It is a vulnerable weapons system in the first place and cannot be defended. We have been through this debate before. But when it came to the rubber meeting the road, the gentleman could not vote for it. There are Members on this side who could not vote for it either.

What I am saying is if Gramm-Rudman is going to pass, those days are numbered, and maybe that is why Gramm-Rudman should pass.

Mr. CRAIG. I thank my colleague for those observations. I trust that the gentleman will once again be with us on the constitutional amendment to balance the budget and will vote for Gramm-Rudman.

Mr. AuCOIN. I hope the gentleman will vote with me on the MX missile.

Mr. CRAIG. I think the gentleman from Oregon's observations are true to the real basic problem of this House. The tough choices are hard to make almost any time we have that kind of a vote. And the reason it is very easy to avoid them is because we can avoid them, because we can always go out and borrow money, as we have historically done, especially for the last 20 years in growing dollar amounts on an annual basis, and saying, "Well, somewhere down the road somebody else is going to have to pay for it."

Mr. AuCOIN. The gentleman is right. Today we voted to borrow $1.6 billion to fund the MX. It is borrowed money.

Mr. CRAIG. I think my colleague from Oregon is fiscally very brave to have voted against the School Lunch Program like the gentleman did and I recognize him for that. I hope the gentleman will be as brave in the future.

Mr. AuCOIN. I hope the gentleman will be as brave on the MX. I wish the gentleman would have been today.

Mr. CRAIG. I hope the gentleman will be as fiscally responsible as he has demonstrated in the last few days.

That colloquy that I have just engaged my colleague from Oregon in I think is fundamental to the issue that is before this House today, that has been the issue that this House has basically avoided for the last 20 years. It is, how do we make the hard decisions? How do we make the tough choices when it comes to all of those programs that at least one person or a group of people in our State would say are critically valuable and important to a given number of our constituents?

Normally our attitude has been, "Well, it is pretty easy." We can say, "Oh, we are terribly interested in them and we are supportive of them and, yes, there is always going to be some money for them at some point," and somehow we find the money.

Well, we found $200 billion this year that we did not ask the taxpayers of this country to pay for, and that got passed on to the debt.

As I mentioned just a few minutes ago, now we have a conference struggling with trying to perfect a procedure that, of course, is just that, an enabling type of legislative act that would say this will be a procedure at which we will approach the deficit in the coming days and hopefully reduce our deficit problem, and therefore our debt by some $36 to $40 billion a year.

Mr. Speaker, at this time I would be happy to yield to my colleague from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding, because I think it is important to understand what the procedure is that we would be operating under in Gramm-Rudman.

If you even take the Gramm-Rudman approach at the present time, we would still be spending somewhere in the vicinity of $920 to $950 billion in the upcoming year. That is a lot of spending that is going to take place.

I think we can argue very intellectually that you then decide priorities within that amount of money that you are going to spend.

Now, colleagues of ours on the other side do not want to spend it in defense, so they come out and parade out their options and so on to cut the money out of defense.

There are Members in this side who do not want to spend it on domestic programs.

The fact is that you do have to look at a variety of solutions, and that is what we are all about in this body.

The problem is we have not mustered the courage to do much of anything anywhere.

I do get a little disturbed, though, when I hear our Democratic colleagues basically say that we can find it all in defense; simply vote against MX and you cast the courageous vote.

Well, it seems to me that we have to look at the realities on that, too. If you wipe out the whole strategic defense of this country, if you wipe out all of the modernization of our strategic defense I should say—I do not want to say the whole thing because obviously there would be things that we have already put in place that would stay in place and would continue to be there, 20-year-old missiles, 30-

year-old airplanes. But if you take away all strategic modernization programs, you save about 10 percent of the entire defense budget.

Now, the question becomes whether or not that is what you want to do as a nation in order to save the money.

I tend to agree more with my colleague from Colorado that if we are going to save real money in defense, we ought to come up with some real reforms in defense. I would far better see us unify commands within the defense structure than wipe out strategic weapons systems. I would rather spend money to build an SDI system that offers long-term defense capability for this Nation than to spend money on overlapping medical programs in the defense agencies.

It seems to me that those are the decisions we ought to be arriving at, rather than just coming to the floor with amendment after amendment that cuts out strategic defense.

We have over the years seen our liberal friends come to this floor with amendments to wipe out every strategic defense initiative that has been offered. Today they had an amendment to wipe out MX. You can bet that when we start funding Midgetman there will be somebody on the floor saying the courageous vote is to wipe out Midgetman. They came out and they were against the B–1. Every one of them, they come up and the opposition always is, "This is the place to cut spending." If we had listened to them in each and every eventuality, there would be no strategic defense in this country today. Every one of them we were told that it was the courageous vote, it was the vote to do something.

My question to them is, What are they willing to do for strategic defense? And time after time what they tell me with their votes is they are willing to do nothing.

Well, I think as you prioritize $950 billion of spending, that one of the things that this Nation needs given the situation of the world is a strategic defense, including an SDI Program, including some offensive weapons to offset what the Soviet Union is doing. That is a priority I am willing to buy into.

I also think that there is a need for domestic programs. But I think those can be reformed in ways that bring down costs as well.

So the idea that somehow the votes here can be specified on those programs, it seems to me, is nonsense. The question is, who votes consistently to reduce spending levels, and there is the real question. The fact is the majority of the Members of the House do not consistently vote for lower levels of spending in a lot of areas. That is what we need around here. We need the discipline to reduce spending over a broad scale, not just target and say this is our vote to show that we vote against spending.

I have heard colleagues, for instance, who go out and say, "I voted for a balanced budget last year." And you go back to the RECORD and you find out that yes, indeed, they did. They voted for a balanced budget, and they are telling their constituents they voted for a balanced budget because they voted against the whole defense appropriations bill. So their solution to a balanced budget is have no defense. They voted for everything else, but their solution is no defense because they voted against the whole defense appropriations bill. That simply is not a rational position and, it seems to me, it does not serve the argument unless we are going to really talk about how you prioritize the entire budget.

I thank the gentleman for yielding.

Mr. CRAIG. Mr. Speaker, let me thank my colleague from Pennsylvania for bringing up those points, because, of course, the question is priority, and that is the responsibility of this Congress to decide where the public money will be spent, and in what programs, and how it will serve the need of the American public, be it in defense or social programs.

I do not know that that is the debate. I really have never found that that is the importance of the total debate. That is our responsibility as Members of the House and of our colleagues on the other side to make those kinds of priority decisions.

The question is how many total tax dollars and borrowed dollars will we choose to spend on an annual basis, and what is going to be the short-term and the long-term impact of that kind of spending habit. I think that we now know that the long-term impact is potentially devastating because of the kind of short-term problems we are already beginning to see. My colleague from Oregon and I mentioned that. Our States are not that unalike. We have primarily agricultural economies, heavy forest products industry, and we are in deep trouble right now. One of the reasons we are in deep trouble is because of an annual $200 billion deficit. That says that we are going to have an extremely high-valued dollar, that our commodities are going to sell very, very poorly in a world market which we must engage to keep our people working and our economies going.

I mentioned earlier that right now at this time a conference is going on to try to make a decision on a procedure that this body will attempt to live by—and I use the words "attempt to live by"—over the next 6 years as we move toward bringing revenues and expenditures into balance.

□ 1535

The reason I used the words "attempt to live by" is because of a misconception that I think is out there that has been construed by the press and by Members of both bodies of the Congress as to what relates to what is the true impact of Gramm-Rudman. I hope it will work. I plan to vote for it. I am willing to make the tough decisions that will ultimately have to be made coming out of Gramm-Rudman to cut areas of defense and to cut areas of social programs, because I think the real responsibility of this Congress is to get that deficit under control.

But I would like to reflect back for a moment on just a little bit of history that I think ought to be used to caution the American public, to watch the Gramm-Rudman vote and the procedures following that over the next several months, if not several years, to see whether this House really has changed its spots, because its spots, although we do tend to wear pinstriped suits, underneath are the spots of a leopard, and that leopard has a phenomenal spending problem, a habit that simply says that, "I've got to go home and tell my folks that I'm going to provide all these programs for them and I've got to be able to respond to them in the form of spending money."

In fact, those spots are now so institutionalized into the system that we cannot quit spending, and it is a Gramm-Rudman approach that is attempting in some way to buffer that and to slow that habit down, that institutional drive and need to spend more and more money on an annual basis.

The reason I use this as an example is because there have been other attempts by this body and the other body historically to slow this spending, to move toward a balanced budget, to curb the habit or the change spots of the spending leopard of the U.S. Congress.

I would like to refer to Public Law 95–435 that was passed October 10, 1978, by the Congress of the United States. Now it is a law not unlike the Gramm-Rudman amendment because ultimately the Gramm-Rudman amendment would become law. We at least hope it would. But that law on the books of the country today supposedly governing this body says in section 7, "Beginning with fiscal year 1981, the total budget receipts of the Federal Government shall not exceed the expenditures."

Now is it not interesting that that public law that passed in 1978 in essence said—because by not exceeding receipts in the area of expenditures you are saying we will have a balanced budget. Of course we know that by 1981 that was simply not the case.

The American public need ask how can the Congress of the United States violate Federal law, because that is exactly what appears to have happened, that a law that was on the books that mandated that this Congress by a given date would bring expenditures and revenues into balance. That happened to be by the fiscal year 1981, and yet we know that by 1981 we were moving toward a $100 billion-deficit budget.

The reason it happened is because a body with the power that the U.S. Congress has to write laws can also change laws, and by rules of this House we simply waived that law in the Budget Act, we bypassed that law, we ignored that law, and said no, we are not going to adhere to it, we are going to spend in deficit because we believe that is to the good of the American people.

Well, we tried that in 1978. That was law to take effect in 1981.

Public Law 96-5, April 2, 1979, section says:

> Congress shall balance the Federal Budget. Pursuant to this mandate, the Budget Committees shall report by April 15, 1979 a fiscal year budget for 1981 that shall be in balance * * *.

What happened? The American people ought well to ask the question "What happened? Why was the law ignored?" That law once again was ignored by this Congress simply because it chose to do so. It chose to, through its Budget Act, waive the law and deficit spend.

Now it is for this reason that I and now well over 200 Members of this House have joined together with some 75 percent of the American people inpursuing a slightly different course from the Gramm-Rudman approach which would be a Federal statute which would mandate a procedure to arrive at a balanced budget by 1991. And that different approach, although I say it is slightly different, is significantly different in some ways.

It is slightly different in its procedure or its approach by which it gets to a balanced budget. But it is tremendously different in the fact that it is a constitutional amendment, because there are now well over 200 Members of this House who believe that this House cannot control itself, and that well, when given the opportunity, although with good intentions, violates the very law that it tells the American people it is going to adhere to, and that is of course the laws that were passed in 1978 and 1979, and the law that is being debated in conference this afternoon here on the hill.

That is why we believe we must turn that responsibility to the people. That is the people's law, the Constitution, and it will be the constitutional amendment that will mandate a balanced budget, that will be the ultimate force that begins to set in place the procedure, and move this Congress toward a balanced budget, and then demand that receipts and expenditures on an annual basis of this Government stay in balance, and only under special circumstances and incidents might we find ourselves out of balance for the food of the Nation or the security of the world.

Let me close this afternoon by saying that it is not a new debate, it is a debate, and an issue, and a concern that has been around for a great long while. When we were spending in deficit $10, to $15, to $20, to $30, to $40 billion, 10 and 15 years ago, although it seemed significant in the overall scheme of things, there were a good many people who were saying that deficit spending is really wise, that it stimulates the economy, that it causes the kind of growth that is necessary, that it puts people to work, and therefore it is just a good policy as long as it really does not get out of control.

Well, that is the question that is really up for the debate today, because there is no doubt that it has gotten out of control and that this Congress really does not know how to control it. They have not found the way; more importantly, they simply have not demonstrated the will to make the very, very tough decisions to go home to their constituents, and look them in the eye, and tell them they voted against them, that they voted against social programs, that they voted against defense programs, that they voted against levels of spending that would drive us at a $200 billion deficit a year that would ultimately bankrupt this country and put millions and millions of people out of work.

Now the reason I say it is not a new debate, and I would like to close with a quote this afternoon from someone who certainly is not new to the issue, and a man who recognized on November 26, 1798, that we had a problem in our Constitution and a problem with our Government, and that was the fact that in drawing the Constitution we had allowed our Government the ability to borrow money.

I am referring to Thomas Jefferson, in a letter that he wrote to John Taylor on November 26, 1798. He said:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of our Government to the genuine principles of its Constitution; I mean an additional article, taking from the Federal Government the power of borrowing.

Can we say that Thomas Jefferson was a brilliant man? Can we say he had phenomenal foresight as to the problems that this Congress and this Nation would be experiencing by 1985 and 1986? Well, I think we can say he was brilliant. But I do not know that we can say he had foresight. But he knew fundamental human reaction. He knew fundamentally how humans would react if given the opportunity to spend money that appeared to be no one's money, but money that could only be cranked out on a printing press, and of course that is exactly what happened historically.

That is why today and tomorrow and Friday this body must make a decision on whether to raise the debt ceiling to $2 trillion so our Government can continue to operate; more importantly, so that it can continue to borrow. And it is with the Gramm-Rudman amendment tied to that that maybe we will put in motion and then bring with it a constitutional amendment to balance the Federal budget that will, I hope, bring some degree of fiscal responsibility to this body and set our Nation fiscally free.

Calvin Coolidge said:

> Nothing is easier than the expenditure of public money. It does not appear to belong to anyone and there is an overwhelming desire to bestow it on someone.

One of the frailties I suspect that this Congress fails from now is the overwhelming desire to bestow on someone public money. I hope that in the coming days we will at least put in motion a procedure followed with a constitutional amendment to balance the Federal budget that will somehow curb this overwhelming desire to bestow billions and billions of dollars annually of borrowed money on someone.

Mr. Speaker, I yield back the balance of my time.

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## HUMAN RIGHTS IN THE SOVIET UNION AND EASTERN EUROPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. COURTER] is recognized for 60 minutes.

### GENERAL LEAVE

Mr. COURTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject matter of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COURTER. Mr. Speaker, the time draws near when the President will depart for Geneva and meet with Soviet General Secretary Gorbachev. Mr. Reagan hopes—as do all Americans—that the summit will yield at least some agreement on questions of strategic arms control.

But the existence of nuclear arms is only one source of the great tension between East and West. Indeed, one might argue that the so-called arms race is as much an expression of ten-

sions as a cause of them. That is why it made very good sense for the President to decide, as he did some time ago, to discuss more than nuclear missiles at Geneva. His agenda enbraces a number of other bilateral issues. It includes regional issues like the war in Afghanistan, not a matter to be overlooked in discussions of world peace. And it includes human rights.

This last is a subject on which the General Secretary is likely to have unwavering views. Marxist-Leninists have a stark and settled opinion about the social and political roles of the individual, the non-party organization, and the extra-governmental group, and it is nothing like an American's. Raising the issue of human rights at Geneva is therefore unlikely to change Gorbachev's mind abut the legitimacy of his country's so-called dictatorship of the proletariate, or the necessity for keeping two Red Army divisions in Poland, or five in Czechoslovakia. What Mr. Reagan can do is make him understand that while these may be the very foundations of Soviet rule, in the eyes of Americans they are unnatural and morally reprehensible. As such they contribute greatly to the tensions between Americans and Soviets. They contribute just as greatly to tension in Europe, where America has had a leading role since 1917 in guaranteeing the independence of many democratic countries.

We meet here this afternoon to consider the status of existing agreements which are as important as any new ones that might be made in the next 3 weeks. Ten years ago in Helsinki, Finland, the Soviet Union and its Eastern European allies pledged themselves to: "Respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief * * *."

They promised not just to respect but to: "promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms, all of which derive from the inherent dignity of the human person." The signatories went further: They agreed that respect for these rights is fundamental to peace itself, and to friendly relations between states.

But, 10 years later, overwhelming evidence demonstrates that the Soviets and Soviet-controlled states have not honored the Helsinki accords, and show only the shallowest of concern about their failure to do so. In a major report issued in August, Jeri Laber, Executive Director of the U.S. Helsinki Watch Committee, describes each and every one of the Warsaw Pact members as: "Egregious violators of human rights and the Helsinki accords." In the U.S.S.R., Laber reports, "repression appears to be more effective than it has been since the death of Joseph Stalin."

Mr. Speaker, at this particular time I would like to yield to my good friend from New York [Mr. GILMAN], who has a statement, and then I will proceed with my own.

I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to join the gentleman from New Jersey, Mr. COURTER, in support of his remarks with respect to the Soviet Union's violations of human rights and practices. Mr. COURTER's initiative today in making available this time for us to speak out once again is highly appreciated and urgently needed.

The Soviet's violations of human rights span all religious and ethnic heritages. In Soviet bloc countries, such as Poland and Hungary, freedom of expression is cruelly suppressed; harassment continues unabated, and the precepts of the Helsinki Final Act are ignored. The Helsinki Watch groups which existed a decade ago no longer exists, as their leaders and activists are arrested, tortured, tried, and sentenced to lengthy prison terms. All these actions emanate from the Kremlin, which, through its domination of these eastern European countries, daily violates the very moral and ethical fiber of millions of men and women.

The Soviet Union leads the way for its allies in continual human rights abuses, and by its actions encourages other representative governments to follow. Though the forthcoming Geneva Summit between President Reagan and Soviet leader Mikhail Gorbachev next month has given cause for raising our hopes about another era of détente, I am not optimistic that we will accomplish any of our stated objectives unless we enter those meetings with a firm resolve that human rights must be high on our priority list. It is a priority that has been reiterated by this body on many occasions, and by the American people at every opportunity. We will not succeed in Geneva unless we convince the Soviet Union and its satellite countries of our clear and abiding commitment to the fundamental freedoms of the individual.

I thank the gentleman from New Jersey for his long abiding leadership in the cause for human rights.

I hope that our Nation will continue in its strong support of human rights throughout the world.

Mr. COURTER. I thank the gentleman from New York, and I know that every time there is a special order involving human rights he somehow takes time out of other important duties to be here, and I think that says something about his concern for the violation of human rights that occurs constantly throughout this world.

Not only, as I was saying before, do the Marxist-Leninist governments of Europe defy the principles to which they subscribed at Helsinki, they have systematically arrested and persecuted those whose only crime is monitoring their governments' adherence to the accords. Charter 77 has been suppressed in Czechoslovakia. The Polish Helsinki Committee has been forced underground. In the Ukraine, according to one report, all but 2 of the 36 members of the watch group formed in 1976 have been imprisoned, arrested, or exiled internally at one time or another.

This afternoon we have the opportunity to offer voices for freedom.

POLAND

Consider the tragedy of Poland. Article 83 of its constitution guarantees freedom of speech, print, and assembly. The Polish Government signed the Helsinki accords. And in the space of 5 days in 1980 Polish Government representatives signed agreements in three cities recognizing the right to membership in trade unions free of party or employer control, freedom of speech, and the right to publish. The authorities intended to honor none of these, and yet—in retrospect it is ironic—they consistently argued that such agreements fully accorded with the Polish Constitution as it then stood.

Today, Solidarity, the group of leading intellectuals called KOR, and other associations have been broken. Their clearest voices have been forced underground, or into prison. An electrician named Lech Walesa remains the focus of full-time work for innumerable secret police. As many as 15 other activists have been murdered by police, or killed under suspicious circumstances, since the end of martial law. Finally, results of a heavily publicized amnesty for political prisoners in July 1984 have already been undone: The numbers of the interned have climbed again to nearly 300.

Recent statutory changes make such arrests even easier than before. Indeed, they make Polish civil law difficult to distinguish from the martial law said to have expired over 2 years ago. A report by the Polish Helsinki Committee which met in Ottawa this May, as well as the transcripts of recent interviews with a dozen leading Solidarity activists, yield the following partial list of legal changes, many of which can only be understood as formal repudiations of governmental obligations accepted in 1975 and 1980.

First, an amendment of November 21, 1983 to the law on universal duty to defend the Polish People's Republic effectively removes any right to free public speech or dissent.

Whoever engages in activities aimed at disrupting public order or at providing dis-

turbances is liable to a sentence of up to three years loss of freedom.

The amendment also provides that:

Whoever organizes or directs protest activity in violation of legal regulations is liable to the same sentence.

The new measure has already been used to jail leading members of Solidarity.

Second, an October 1982 law, initially due to expire this year, stipulated that only one trade union could exist in a given workplace. This law was made permanent earlier this year, eliminating any hope for the reinstatement of free and independent trade unions at the factory level.

Third, a law on special criminal liability of May 10, 1985 will permit the arrest, trial, and sentencing for up to 3 years of an individual, all within 48 hours and on the testimony of as few as one accuser. The new law encompasses nearly all political crimes.

Fourth, amendments to the 1982 law on higher education made in the summer of 1985 abolishes what is left of academic autonomy. The amendments empower the Minister of Higher Education to select all university authorities, and guarantees that—

The Party will exert an appropriate influence on all decisions taken by the university, especially in the selection of teaching staff and in the proper education of students in a socialist spirit.

The law makes it possible to remove a lecturer from his post and suspend courses at will.

Fifth, the 1984 amnesty bill, while freeing most of Poland's political prisoners, also make it an act of high treason, punishable by death to have any contacts with the international labor movement.

Sixth, Polish law now allows the police to detain a person whose behavior gives reasonable grounds for suspicion of the intention to commit a crime or an offense against public order or security. Solidarity activists are routinely detained for 48 hours for harassment purposes.

All of this makes the story of Polish civil liberties in the postmartial law period a distressing one. And yet General Jaruzelski speaks of it as the "normalization" of Poland. Solidarity allegedly produced "anarchy," says the general. Martial law produced quiet. Now the reassertion of totalitarian control over workplaces, ministries, social groups, and schools is called "normalization."

In the forward to a new volume of his speeches, General Jaruzelski makes this plea to his English-language readers: History, he writes, has not been kind to Poland. "What Poland needs above all is peace." But to Jaruzelski and his party, peace is the pacific silence of a hard-working labor force. Peace is a stillness in Warsaw's Victory Square, where tens of thousands once cheered their Pope. Peace is what the authorities feel when Poles remember the promises of Gdansk only as distant dreams. To the general, peace is what we know as order. And while order is a virtue in any polity, it is also a characteristic of every prison, and every machine. It is never, of itself, enough.

The summit will be a good opportunity to remind Jaruzelski, the ruler of Poland, and Gorbachev, the ruler of Jaruzelski, that peace is by nature inseparable from justice and liberty.

SOVIET JEWS

In recent months there have been repeated hints that the Soviet Union is moving to reestablish diplomatic relations with Israel. The fact that Poland has just announced its intention to do so signals seriousness in the Soviet desire. Without speculating as to whether or not such a rapprochement is in Israel's interest, we can at least be sure that the Kremlin would like to ameliorate the criticism it has been required to withstand for its increasing harassment of Soviet Jews.

Everyone in America and Europe saw evidence of that public relations concern in this morning's newspapers. The Kremlin let slip word—unofficially—that the wife of Andrei Sakharov will be allowed to leave the U.S.S.R. for medical treatment. And a long-imprisoned monitor of Soviet use of psychiatry as a weapon against dissidents has arrived in Amsterdam to rejoin her family.

Both events are pleasant gestures, but that is all. Mrs. Sakharov will not be allowed to rejoin her husband. And Irina Grivnina's arrival in Holland was timed for today because tomorrow the Dutch Government will decide whether or not to accept United States medium-range missiles for the defense of the NATO countries.

And this is but one part of the story. 400,000 Soviet Jews have initiated the process of application to emigrate. That means that the new Soviet gesture responds to precisely 0.000005 percent of the problem. Annually, fewer than 1,000 Jews are let go. Yet Mr. Gorbachev would have us imagine that few Jews leave the Soviet Union because those who wanted to leave have already done so. Indeed, he recently told a French journalist that—

If there is another country in the world in which Jews have the social and political rights to the extent they have in our country, I would be delighted to hear about it.

I would like to answer the General Secretary. Outside the Soviet bloc, all but a very few countries fit that bill. The following are a few of the reasons why 400,000 Soviet Jews have asked to exercise a most self-evident human right: The right to leave and live elsewhere.

Jews in the U.S. .t. are forbidden—on pain of impr..onment—to teach their children the tenets, language, and culture of their religion.

In the year between July 1984 and June 1985, at least 14 Jewish cultural activists were arrested, and 2 of them were savagely beaten. Many others have been fired from their jobs, have had their apartments searched, their phones disconnected, their mail seized.

A Congressional Research Service Review issued in March of this year states that discrimination and repression against Jews in the U.S.S.R. have not been greater at any time since Stalin's.

Film broadcast on Leningrad TV about a year ago accused Russian Jewish dissidents of trying to subvert the Soviet state. This is a recurrent theme. In mid-1983, for example, Soviet authorities were promoting a book called "The Class Essence of Zionism." It claimed that wherever Jews live outside Israel they represent a potentially subversive fifth column. The book finds the Jews partly to blame for the holocaust. It even says that the accepted figure of 6 million Jewish deaths is "significantly overstated." Now, we know very well that similar allegations appear in print on occasion in our own country. But they do so when made by private citizens, and each time there falls upon them a veritable wall of public testimony, scholarly books, and photographic and museum exhibits which expose the allegations for what they are—lies. But "The Class Essence of Zionism" like every other Soviet publication—appeared with the imprimatur of the Soviet censor. And it was praised as "necessary" and "convincing" in reviews which also bore the censor's stamp of approval.

Soviet writers and propagandists frequently compare Zionism and fascism. They have accused the Israeli army of genocide in Lebanon deserving of another set of Nuremberg trials. In one published cartoon, caricatures of Israelis "rebuilding" Auschwitz and Dachau in southern Lebanon. According to the rector of Tel Aviv University, Yoram Dinstein, many television programs, articles, and phamplets appear in the Soviet Union—

With one clear-cut message: The dominant Western monopolies are governed by Jews who are using them as tools in a struggle against the U.S.S.R.

Here, says the rector, is a throwback to the notorious anti-Semitic canard of the "Elders of Zion," fabricated at the beginning of the century.

Such propaganda has also appeared in countries in which politics are dominated by Soviet military power and the police are dominated by the Soviet secret service. The "Protocols of the Elders of Zion" resurfaced in Poland just this year, ostensibly circulated by Solidarity's underground presses.

A short while ago, the New York Times published a fine essay by Avital Shcharansky, whose husband was

jailed many years ago because of his membership in the Soviet Helsinki Watch Group. She describes in very moving terms the plight of the Jews within the U.S.S.R., and closes her article with these words about the upcoming summit in Geneva:

The Soviet leader is desperately seeking accommodation and normalization. Can it be too much, in this season of expectation, to suggest that one unequivocal demand be made of those who have so systematically trampled on the rights and the lives of countless human beings begging for nothing but release?

Is it too much to ask that before we seek or trust its signature on future treaties, the Soviet Government be required to honor the Helsinki accords * * *?

Ultimately, the question is for Mr. Shevardnadze's Government to answer. But it is up to the West to ask.

□ 1600

Today, Mr. Speaker, there was an interesting article that appeared in the Washington Times, and I would like to quote from it if I may. I mentioned it in the prepared remarks that I made.

Anatoly Koryagin, a dissident Soviet psychiatrist imprisoned since 1981, has been moved from Chistopol Prison to a labor camp hospital at Perm and is thought to be near death, according to Irina Grivnina, a dissident who just arrived in the West.

Dr. Koryagin, 47, was sentenced in June 1981 to seven years at hard labor and five years internal exile for what the prosecutor at his trial called "activities harmful to Soviet power and the party."

The psychiatrist had written in a British medical journal about examining political dissidents in Soviet psychiatric hospitals and disagnosing the same. "All the people I examined had joined the ranks of the mentally ill because they did or said things which in our country are considered 'anti-Soviet,' " Dr. Koryagin wrote!

In other words, this person was imprisoned for years and is now ending his life probably because he honestly diagnosed patients in mental hospitals as only individuals who talked frankly about their desire to leave the Soviet Union.

In a letter which recently arrived in the West, Mrs. Koryagin described her husband's condition when she visited him in September 1983 at the KGB-run prison at Christopol:

"He was like a Medusa, so bloated that his neck was wider than his face. It was covered with edemas caused by protein starvation. Throughout his imprisonment he's been constantly reduced to a state of extreme weakness . . . by the torture of cold, hunger and sleep depreviation, of harassment, humiliation, mental agony and even beatings."

Mr. Speaker, as the President of the United States journeys to Geneva for talks about arms control, as indeed he must, he must as well talk about Soviet violations of arms controls agreements and also Soviet violations of the Helsinki accords.

Mr. Speaker, I include for the RECORD an editorial from today's Washington Post entitled "Pre-Summit Gestures."

PRE-SUMMIT GESTURES

The Kremlin's customary pre-summit lightening on human rights is on view. Evidently Andrei Sakharov's wife will soon be allowed to go abroad for the medical treatment that she has been seeking through her years of internal exile. Meanwhile, Moscow moved expeditiously to keep the fate of the Soviet sailor who jumped ship in New Orleans from becoming an inflamed public issue. On the eve of the last summit the Soviets exchanged five political prisoners for two convicted spies held in the United States. This is the pattern.

It is a pattern bound to trouble many people in the West. The evident Soviet purpose is to deflate human rights as a summit issue. This is easy for Moscow to do. It need only wave its wand over the likes of Mrs. Sakharov, wife of the celebrated dissident physicist, and Miroslav Medvid, who became a chance celebrity by jumping a grain ship. The Kremlin looks like a kindly godfather and a few flesh-and-blood individuals benefit.

Mrs. Sakharov may soon leave; it is implicit that her husband may later follow. Mr. Medvid got the opportunity to say, in a setting that an attentive Reagan administration found conducive to free choice, whether he wanted to stay or go home. It's a good thing, by the way, that the administration intervened firmly to ensure his choice after the Border Patrol twice returned the sailor to his ship without having reliably determined his circumstances and views.

The sad fact remains that, in the arbitrary Soviet system, no relief is available for Soviet citizens other than by Kremlin calculation. People who have felt that Soviet society would eventually mature in this direction have been repeatedly disappointed. The arbitrariness that allows Moscow to make a gesture now is the quality that has allowed it for years to deny Western human rights appeals on grounds that they are an interference in an internal Soviet matter.

The new Soviet leader, Mikhail Gorbachev, apparently would like to be known as a reformer. But he came up as a protégé of veteran KGB chief Yuri Andropov, and reform in the Soviet context has more to do with discipline than with individual rights.

President Reagan cannot disdain gestures, especially gestures that help real people. Nor can he appear satisfied by gestures to a token few. His test is to convey the widespread American conviction, which amounts to a political fact of life, that the way Soviet citizens are treated inevitably affects the readiness of Americans to improve relations with the Soviet government.

**Mr FRANK. Mr. Speaker, I am grateful to Mr. COURTER for taking out this special order so that we can address the subject of human rights abuses behind the iron curtain. It is especially timely in view of the upcoming Geneva summit, at which this issue will undoubtedly be on the agenda.**

**The Soviet Union's human rights record has always been abysmal, but after the Helsinki accord there were hopes that there might be an improvement. For a short time there was an increase in the level of emigration, but in recent years this flow has been almost entirely choked off. At the same time the Soviet authorities have embarked on an anti-Semitic propaganda campaign, and have squelched any attempts by the Jewish community to maintain their heritage. In Romania, the authorities have been actively harassing those who choose to practice their Christian faith.**

**In Poland, the Helsinki Committee, which was founded to monitor that nation's compliance with the Helsinki agreement, has been forced underground. Similarly, in the Ukraine, 34 out of 36 members of a monitoring group have been imprisoned, arrested, or subjected to internal exile. The original Helsinki agreement clearly contemplated the active role that such monitoring groups would play in the human rights process. The Governments which repress them are clearly in violation of that treaty.**

**Most recently, the Hungarian Government demonstrated its disrespect for the spirit of Helsinki when it prevented private groups from holding a public symposium to coincide with a followup Helsinki conference which was being held in Budapest. This was unprecedented in the history of the Helsinki process; until then, such meetings had always been allowed to take place and had greatly enhanced the work of the Government conferees.**

**Mr. Speaker, it is important that we take time to voice our outrage at these violations. We must not allow the Eastern bloc governments to think that their infractions have passed unnoticed, and we cannot allow the citizens of those nations to think that their plight has been forgotten.**

**Mr. OBERSTAR. Mr. Speaker, the news that Yelena Bonner, wife of Soviet dissident Andrei Sakharov, was issued a temporary visa to receive much needed medical treatment in the West captured our Nation's media headlines and raised our consciousness to the absurdity of the situation. This news does not belong in the headlines. Yelena Bonner should have been issued this visa upon learning of her eye ailment. It is a tragedy that the Soviet Union continues to place a higher priority on keeping its citizens within the nation's borders than on affording them basic human decencies.**

**But we can learn from the suffering of Mrs. Sakharov and we can commit ourselves to never allowing another human being to undergo such a massive denial of human rights. But we cannot do that unless the Soviet Union shares the goal where individuals are people first and citizens second.**

**Earlier this year the world marked the 10th anniversary of the signing of the final act of the Helsinki accords. This was an agreement signed in good faith to promote and protect a sense of dignity and equality among all citizens. On that day in August 1975, the world smiled a sad smile because although the price paid in human life had been great, we could finally look to a future where people would not have to fear government oppression for their political beliefs.**

**But years have passed and we now know that the good feelings we shared 10 years ago were misplaced. Human rights in the Soviet Union and the Eastern bloc nations have taken a backseat to a stronger desire to promote the ideals of the Communist state, subsequently oppressing those who**

promote individual freedoms. Our shared dream has become shared pain.

But we now have a unique opportunity to speak for the world's dissidents at next month's Geneva summit. The issuance of a temporary visa to Yelena Bonner in the weeks before the summit indicates Mikhail Gorbachev's sensitivity to the issue and hopefully his willingness to change current Soviet policy. As the leader of the Eastern bloc nations, Gorbachev is in a position to dictate human rights policy to the Soviet Union's allies.

President Reagan must take the initiative at next month's summit in making Mr. Gorbachev aware that our Nation's priority is the guarantee of human rights to all individuals. As Americans we can sympathize with the oppressed people of the world, but because we are unique in our freedom we cannot totally understand what it feels like to lose a job, to be exiled, or to lose contact with our families and friends because of a particular belief. But we Americans want to share our love for freedom with the rest of the world. While we cannot hope to dictate political philosophy to these nations, we can hope to make them recognize that a denial of human rights brings shame to their form of governance.

I believe that pressure exerted on the Soviet Union by this country, primarily through this body, was a factor in the Soviet Government's decision to permit Yelena Bonner medical treatment. We must continue this pressure until guaranteed human rights is a way of life in the Soviet Union and Eastern bloc nations.

As we approach the summit we must be optimistic about the commitment of the world's leaders to remedying the injustices which occur everyday in the Soviet Eastern bloc nations. We can no longer tolerate a world in which people are forced to sacrifice their beliefs for their lives.

Mr. EDWARDS of Oklahoma. Mr. Speaker, the President is about to begin one of the most important meetings in this Nation's history. The primary issue at Geneva should be arms control, but it would be very unrealistic at a summit between the United States and the Soviet Union not to talk about several other fundamental concerns which divide our nations. One of them is the tragic denial of basic human rights to the people of the Soviet Union and Eastern Europe.

Very few of us really know what it's like to be denied basic human freedoms. Free speech, free press, free trade unions, and unrestricted travel come naturally with our democratic society. The Soviets try to dismiss the fact that their system doesn't allow these fundamental freedoms—and they would like us to ignore that fact, too.

Many of the brave people behind the Iron Curtain have spoken out against their governments, and have risked their lives and those of their families to do so. These people are true heroes of the struggle for freedom and human dignity. But for every voice of dissent that we read about, there are many thousands of other people whose hope has been drained by the policies necessary to keep Communist governments in power.

In most Soviet bloc nations, the press is government-controlled and heavily censored. Western newspapers are unavailable to the general public. Border guards routinely refuse to admit foreign visitors carrying prohibited Western books, and Soviet bloc citizens can be arrested for just talking to Westerners.

Imagine not being able to criticize the policies of your own government. By law, most people in Eastern Europe and the Soviet Union face serious punishment for publicly expressing opinions contrary to government policy. Individual academic freedom is not permitted, either. Teachers are disciplined if they allow open classroom discussion or deviate from the party line.

Communist leaders preach Marxist ideology, but follow the brutal principles of Leninism. Closed systems are funding new ways to introduce small doses of private enterprise to make things work. But don't expect their leaders to embrace pluralism. That kind of political and economic competition would clearly challenge their own dominant, single-party rule.

Leninism by nature leads to the denial of basic human freedoms. These constraints are both psychological and physical, and they are real constraints. Any one who attempts to cross the border from East to West without authorization faces death. Anyone who has seen the Berlin wall, or the West German-East German border, cannot possible conclude that the Communist system works. No nation that must imprison its people works.

When a Russian submarine ran aground in Swedish territorial waters in October of 1981, the Soviets immediately demanded that Sweden return the ship's sailors to the Soviet Union. Two years late, when the Soviets deliberately shot down a Korean passenger jet, their message was clear: nobody crosses our borders.

Mr. Speaker, this situation has no ready solution. But as a free Western society we have an obligation to have the world better understant it. We are morally outraged at the stories of abuse and repression of those who dare to speak out. But we must also be reminded of the less obvious, daily forms of repression which set apart free societies from unfree ones. Conscience demands that we continue to support the fight for freedom and human dignity throughout the world.

Mr. PORTER. Mr. Speaker, I am pleased to participate in today's special order on human rights in the Soviet Union and Eastern Europe.

I would like to commend my colleague—the gentleman from New Jersey [Mr. COURTER] for holding this special order as an ongoing effort to take every opportunity to encourage President Reagan to bring Secretary General Gorbachev's attention to our concerns about existing human rights violations.

We are all familiar with the distressing record on human rights that the Soviet Union has compiled. One particular area which has not received great attention, but which I feel is very important, is that of divided spouses. Approximately 25 American citizens are deeply affected by the Soviet Government's refusal to grant exit visas to their Soviet spouses.

Over the weekend I met with Mr. Simon Levin, who resides in my district and whose wife and son are living in Moscow, unable to emigrate. Mr. Levin had to emigrate shortly after he and his wife. Tamara Tretyakova were married in 1978. His case is the second longest outstanding divided marriage case. The couple expected to be together again soon after Simon's departure. Soviet authorities, however, chose to keep the family apart. Their son, Mark, was born in Moscow on May 6, 1978.

Mark has never seen his father. He lives in Moscow with his mother waiting for the precious permission to join his father in the United States. Mark and Tamara have been refused that permission 14 times since February 1979. Tamara, who is partially disabled due to polio that she suffered during her childhood, therefore, has to raise Mark alone.

Every child has the right to be with both of his parents. Every parent has the right to be with his child. The President must confront Mr. Gorbachev with the issue that families are guaranteed the right to reunification under several international human rights doctrines. The President must emphasize that peace between our two countries can not be achieved if the case of Simon Levin and the 24 other divided spouses continue to exist.

Many Americans have been encouraged by the summit in Geneva as a signal of the willingness to improve relations between the United States and the Soviet Union. By allowing the Tretyakovas and the others to emigrate, Mr. Gorbachev would create a favorable impression concerning his government's sincerity in its expressed desire for a peaceful relationship and recognition of international human rights doctrines.

Only 93 Jews were permitted to emigrate from the Soviet Union during September. To date, a total of 796 Jews were granted exit visas in 1985, as compared with 721 who were permitted to emigrate during the same time period last year. The monthly average of Jews permitted to leave hovers at less that 100, closely mirroring the trend for 1984, during which fewer than 1,000 Jews were granted the right to emigrate.

Since the coming to power of Soviet leader Gorbachev, the situation for Jews in the U.S.S.R. has continued to deteriorate. President Reagan should bring this issue to the forefront when the two leaders meet in Geneva.

I have joined with many of my colleagues in urging the President to place the issue of the persecution of Soviet Jews and the plight of divided spouses high on his agenda of issues to be discussed in Geneva. I am hopeful that this meeting will signal a new era of improved relations between our two countries. However, I believe that this can only happen if the Soviets begin to

change their policy of disrespect for the rights of Soviet Jews.

Mr. Speaker, it is extremely important that we in the Congress continue to speak out on behalf of Soviet Jews. The continued harassment and outright violations of their human rights must be forcefully brought to public view. We must continue to maximize pressure on the Soviets to live up to their international agreements.

Mr. EMERSON. Mr. Speaker, my friend and colleague, JIM COURTER of New Jersey, has brought before this House a special order of concern not only to both sides of the aisle but to both sides of the globe, East and West.

With the summit in Geneva approaching, it is important that we address the repressive policies of the Soviet bloc and express our discontent with the human rights violations now taking place in the Soviet Union and Eastern Europe. One such violation is the freedom of religion.

Throughout the Eastern bloc, those who practice the Jewish and Christian faiths are being persecuted because of their religions. Congressman TOM LANTOS has initiated a program to adopt a Soviet Christian family or individual who has been touched by this most grievous violation; the right to worship and practice the religion of their choice. I commend the Congressman from California and I thank him for the opportunity to partake in this special project.

Mr. Speaker, I want to take a few moments to tell you about the individual that I have adopted. Bishop Ivan Fedotov, who is currently interned in a Soviet labor camp, is a bishop of the Pentecostal Church in the Russian Republic. His only crime was his role in leading the Pentecostal Church. According to the Soviet Constitution, any individual has the "right to profess or not to profess any religion and to conduct religious worship or atheistic propaganda." So, I ask, why is Bishop Ivan Fedotov currently serving time in a Soviet work prison?

Recent information has reached the West of what appears to be a campaign of harassment against Bishop Fedotov in the prison camp in arctic Russia. On September 22, 1984 he was deliberately delayed from going to the bathhouse with his own section of prisoners, which deprived him of his 2-hour visit with his wife. While at the bathhouse, money—forbidden to camp prisoners—was planted in his shoe and he was, therefore, then deprived of his annual parcel due in October. When he began a fast in protest he was sentenced to the punishment cell for 11 days.

My colleagues, the time has come to send a strong message to the repressive governments of the Soviet Union and the Eastern bloc countries. Let us frankly state our opposition to the Soviet practice of prohibiting religious believers from engaging in charitable activities or providing religious instruction to their own children. In some instances, the Government has removed children from families whose parents have refused to abstain from teaching religion to their children.

I commend the distinguished gentleman from New Jersey on this special order this evening and I urge all of my colleagues to take an active role in expressing their opposition to the human rights violations—religious or otherwise—that are currently taking place in the Soviet dominated countries.

Ms. KAPTUR. Mr. Speaker, on November 19, 1985, President Ronald Reagan and Secretary General Mikhail Gorbachev will meet in Geneva. As the summit meeting approaches, it is fitting that the United States reaffirm its commitment to the fundamental principle of human rights. I commend the gentleman from New Jersey for calling this special order today on human rights in the U.S.S.R. and Eastern Europe. I would like to take this opportunity to bring to your attention a specific case of special interest to myself and my constituents. Evgeny Matskin, his wife Ludmilla, and their son Vaadim have repeatedly applied for exit visas in order to emigrate to Israel. Since the Matskins first applied for visas 6 years ago, Mr. Matskin has lost his job three times.

It is my understanding that the explanation behind the denial of the visas is Mr. Matskin's service in the military as a regular soldier. I believe that the real reason for the Matskin family's difficulties in obtaining the necessary visas is their desire to be repatriated to the homeland of the Jewish people, Israel. The right to free emigration is guaranteed under the final act of the conference on security and cooperation in Europe, the universal declaration of human rights, and numerous other international agreements to which the U.S.S.R. is a signatory. Mr. Gorbachev remains firm in his denial of human rights abuses. However, cases like that of the Matskin family, where the basic right to emigrate is refused, clearly contradict this denial. I urge both President Reagan and Secretary General Gorbachev to make human rights a key issue on the agenda at the Geneva summit.

Mr. YOUNG of Missouri. Mr. Speaker, during the Columbus Day recess, I was fortunate to have had an opportunity to travel to the Soviet Union with several of my colleagues from the Committee on Science and Technology.

One of the most profound experiences that I encountered on this trip was our meeting with several Soviet refuseniks. The issue of Soviet Jewry is one that has been of particular concern to me.

The rate of Jewish emigration from the Soviet Union has declined 97 percent over the past 5 years. Fewer than 1,000 Jews were allowed to leave the U.S.S.R. during 1984. As my colleagues know, Soviet Jews comprise the third largest surviving Jewish community in the world, and they have been struggling to achieve basic human rights, including the right to maintain their own religion and culture. The right to leave any country that denies one their heritage is an internationally recognized human right, yet in the Soviet Union permission to emigrate is given arbitrarily.

I believe it is crucial that with this wave of anti-Semitism, America must reaffirm the commitment of human rights. Congress must continue to pressure the Soviets to release those Jews who wish to leave the U.S.S.R.

On our trip, we were able to spend several hours with a dozen refuseniks at the home of Prof. Yakov Alpert. Professor Alpert and his wife first applied for permission to emigrate in 1975. Consequently, they both lost their jobs, and Professor Alpert has been completely cut off from the international science community.

Dr. Aleksandr Lerner, one of the Soviet Union's most respected scientists, also attended the meeting. Dr. Lerner has been constantly harassed since he first applied to leave the U.S.S.R. in 1971. He was dismissed from his job and has been accused of espionage and treason. The Soviet Government has made it clear that they do not intend to ever grant Dr. Lerner permission to leave the Soviet Union.

We heard similar stories from all the refuseniks. There is a clear pattern in the Soviet Union that once a person applies for an exit visa that person may expect to lose their job, have their homes searched, and experience constant harassment by the KGB.

I would like to mention two specific cases that are of particular interest to me. First of all, I have adopted a Soviet Jewish family from the Ukraine to help them fulfill their dream of emigrating to Israel.

Samuel and Manya Klinger have been trying for a number of years to emigrate to Israel. Samuel Klinger is an agronomist from Dnepropetrovsk in the Ukraine. He and his wife, a nurse by profession, have been repeatedly denied exit visas since 1970.

The only reason given by Soviet authorities has been a lack of consent from Manya's parents, who have not seen their daughter in many years. Manya, a mother herself, recently celebrated her 50th birthday.

We have asked the Soviet Government to grant this family permission to emigrate, but have received no response. There can be no doubt that by not allowing the Klingers to leave the Soviet Union, the Soviet Government is in clear violation of the Helsinki Final Act, the Universal Declaration of Human Rights, as well as their Soviet Constitution.

Surely the emigration of the Klinger family would pose no threat to the security of the Soviet Union, and instead would be a humanitarian gesture. Nonetheless, permission to leave is continually denied.

I am also extremely concerned about the plight of Victor Artsimovich. Mr. Artsimovich has applied for exit visas for him and his family. After these applications were submitted to the Soviet Government, Mr. Artsimovich was arrested for allegedly distributing illegal publications. It is my understanding that he was tried in absentia in a closed court, where he was declared to be irresponsible and schizophrenic. Victor

Artsimovich is currently incarcerated in a Soviet psychiatric hospital in Siberia.

According to the State Department, the total number of persons confined in Soviet psychiatric hospitals solely for their political views is not known, but the estimates suggest that upward of 1,000 persons are held at psychiatric facilities.

At this point, I would like to add that I am pleased that the Soviets have decided to allow Yelena Bonner to receive medical treatment outside of the Soviet Union. I am hopeful that this is not just a token step in a presummit public relations blitz, but that this may be the beginning of a new policy allowing Soviet citizens to move freely in accordance with international law.

Nonetheless, in our meeting with Deputy Chairman Gromyko, he was unwilling to discuss the issue of human rights. I have joined with several of my colleagues in urging President Reagan to make this issue a focal point of the upcoming summit meeting with Mr. Gorbachev.

As the leader in the free world, the United States must do all that is possible to protect the human rights of all people and stop repression wherever it occurs.

We have held congressional prayer vigils on behalf of Soviet Jews, but we must be sure that the vigil continues each and every day until the human rights of all Soviet Jews have been restored.

Mrs. BOXER. Mr. Speaker, I would like to congratulate my colleague, Representative COURTER, for this important and timely special order.

President Reagan is currently preparing for his November summit with Mr. Gorbachev. We must therefore take this opportunity to remind the President that the Geneva summit cannot be a meaningful one without a frank discussion of the continuing human rights violations in the Soviet Union and Eastern Europe.

We should not be taken in by reports of improvements in this area. Amidst worldwide rumors of the liberalization of Soviet emigration and human rights policies, the plight of Leonid Volvovsky, the newest Jewish prisoner of conscience, is all but forgotten. Volvovsky, a 40-year-old electrical engineer and Talmud scholar from Gorky, was arrested on June 26, 1985. He was charged with article 70 of the RSFSR, anti-Soviet agitation and propaganda.

Last Thursday, October 24, Volvovsky was sentenced to 3 years of hard labor. His only crime was his desire to live in Israel and to teach classes in Judaism.

The case of Leonid Volvovsky sharply contradicts recent reports of potential improvements on the part of the Soviet authorities. It suggests that rather than liberal emigration policies, we are facing the threat of a harder Soviet line after the Geneva summit. This will depend in part on the President's resolve and on the priority assigned to human rights as the summit draws near.

Just this week, I sent a letter to the Nobel Institute in Norway, asking that Anatoly Shcharansky be nominated for the Nobel Peace Prize. Mr. Shcharansky is a perfect symbol of all prisoners of conscience in the Soviet Union and Eastern Europe today. For the past 8 years he has suffered imprisonment and torture for his simple insistence on respect for the basic human rights for his people.

I call on President Reagan, when he meets with Mr. Gorbachev in Geneva, to echo Mr. Shcharansky's plea that the Soviet Union and Eastern Europe respect the basic human rights of their peoples.

THE AMERICAN LEGION,
*Washington, DC, October 21, 1985.*

DEAR REPRESENTATIVE: Over the past three weeks you have received several letters regarding certain recommended changes in access to Veterans Administration health care. Specifically, these changes would impose a means tested eligibility standard for such care and would require private health insurance reimbursement for VA treatment offered to certain veterans.

In recent communications you have been advised that The American Legion is the only major veterans organization which remains opposed to these recommended changes and to that portion of the reconciliation bill containing budget savings derived from the changes. We do remain opposed to them. While our organization deeply respects the dedicated efforts of those Veterans Affairs Committee members who believe that a means test and third party reimbursement are the most appropriate ways to meet the budget resolution target for Veterans Benefits and Services, we are quite concerned over the long term effect of these health care policy proposals.

The American Legion feels that the savings proposals will lead to fundamental changes in the manner in which VA medical treatment is provided. We expect that there would be increasing pressure upon VA to conform its health care delivery to that of private medicine—to implement certain "efficiencies" which fail to observe the special features of VA's medical mission. In fact, several of the principal proponents of these reconciliation savings have expressed similar concerns in previous years.

Our organization is well aware of the federal budgetary crisis. Our opposition to the means test and third party reimbursement is not a categorical rejection of any budget mandate, and it certainly does not dismiss the devoted efforts of House members earlier this year to produce a workable first budget resolution. We clearly recognize and we commend the outstanding work which led to congressional adoption of VA budgetary guidelines as proposed by the House, a plan that restored more than $700 million to the Senate recommendations for VA in FY 1986. We believe that restraint in the VA medical care budget has been maintained and can be continued by active congressional oversight and careful appropriations decisionmaking. In fact, VA medical care spending over the past ten years has increased at only one third the pace of federal Medicare expenditures, although the veteran popultion has aged at relatively the same rate as the general population over that period.

You and your colleagues will soon be considering the budget reconciliation bill. During that deliberation we encourage you to keep our views in mind.

Sincerely,

E. PHILIP RIGGIN,
*Director,*
*National Legislative Commission.*

Mr. MARTINEZ. Mr. Speaker, I rise today to thank my most esteemed colleague, the gentleman from New Jersey, for allowing us this timely forum on the condition of human rights in the Soviet Union and the Eastern European countries. Timely, because we are possibly entering a period of movement and opportunity in East-West relations. Yet no meaningful improvement in these relations can occur without concrete gestures of Soviet and Eastern European willingness to take Western concern for human rights seriously.

Just how seriously Soviet and Eastern European governments have taken these concerns was indicated last August, at the 10th anniversary of the final act of the Helsinki Agreement on Security and Cooperation in Europe. The Agreement provided that in return for Western respect for post-World War II European borders, the Eastern countries would allow those living behind those borders to travel, think, speak and write freely. Yet rather than improve over the last decade, the human rights situation in those countries has deteriorated.

If the Helsinki accords provided an unprecedented means of exposing human rights abuses in their respective countries, they also provided an unprecedented threat to those signatory regimes which have the most to fear from allowing basic freedoms to their citizens. For example, although 1975–79 saw a slight relaxing of Soviet constraints on such freedoms as expression and worship, the Kremlin tightened its grip again in 1979, with annual dissident arrests tripling, sentences lengthening, and repressive new laws passed. Currently, of the 5 million people in forced labor in the Soviet Union, at least 10,000 are prisoners of conscience.

The Soviet crackdown on human rights in recent years has occurred on several fronts. Dissident groups spawned by the Helsinki agreement have been harshly persecuted. Today, 18 of the original 20 members of the Moscow Helsinki watch group have been imprisoned or sent into internal exile, or have gone abroad. Two large labor organization efforts in 1977 and 1978 have been brutally suppressed, and today at least 25 Soviet citizens are imprisoned or held in psychiatric hospitals for labor union activism or for organizing strikes. The sharpest rise in persecution has been aimed at religions. Religious believers are now thought to comprise about half the 10,000 Soviet prisoners of conscience, and represent the single large category of new Soviet political prisoners. Persecution of national minorities and ethnic groups—such as Armenians and Jews—has also increased, in the destruction of churches and monuments, limitations on languages, and the rewriting of histories. And those inside prisons are also treated worse: last year, more political prisoners died in detention than in any year since Josef Stalin.

Few of the Soviet client regimes, Mr. Speaker, have been more responsive to Helsinki. East Germany currently holds between 6,000 and 9,500 political prisoners, mostly unsuccessful emigres. In Czechoslo-

vakia, religious orders are outlawed and citizens who profess their religious beliefs cannot hold public office. Romania remains one of the most repressive police states in Europe, and Bulgaria is waging a campaign to forcibly Bulgarize its 800,000 Turks that has reportedly included brutal coercion and resulted in several hundred deaths.

But while much of the deterioration over the last decade in these countries has been marginal, by far the most dramatic shift since Helsinki has occurred in Poland. The Solidarity labor movement, inspired in part by the Helsinki Agreement, was forced underground in 1982, and its members and supporters continue to be subject to discrimination, detention, and frequently to physical attack. The presence of the Catholic Church in Poland, stronger than in any other Eastern European country, has been the target of an escalated government campaign of harassment, culminating in the brutal murder of Reverend Popieluszko and the show trial of the responsible officials. Finally, the regime of General Jaruzelski has attempted to show its concern for human rights by holding elections in which the populace was forced to vote for one of the state-chosen candidates.

Many outside institutions, such as the church and the Nobel Prize, have helped to bolster the struggle for human rights in Eastern Europe and the Soviet Union. But, even in Poland, their footholds are diminishing quickly. Of all outside parties, the United States perhaps carries the most leverage. Yet domestic difficulties surrounding the human rights question have hampered our ability to use this leverage in the best manner.

The United States was one of the pioneers in the concept of human rights, beginning with the United Nations Charter and the Universal Declaration on Human Rights. The Foreign Assistance Act, as amended in 1973, prohibits U.S. aid to any country which consistently or grossly violates internationally recognized human rights, and the International Financial Institutions Act of 1977 subjects recipients of loans from the World Bank and other multilateral lending institutions to similar requirements. We have applied this concern consistently in our policy toward the Soviet Union and Eastern Europe. The American position in Helsinki rested on our concern for human rights, and our policy toward Poland in recent years has been guided by the same beacon. Yet in spite of this, our larger policy has veered far from the vision of President John F. Kennedy, who asserted more than 20 years ago that in the last analysis, peace—the ultimate goal of our foreign policy—is a matter of human rights.

It is time for the United States to implement a compassionate and consistent approach of unequivocal support for basic and universal human rights. The political differences between totalitarian and authoritarian regimes are impossible and dangerous to ignore. But a prison, a death squad, a reign of arbitrary terror, wreaks the same human damage regardless of either political or ideological context.

In the meeting in Helsinki last August between Soviet Foreign Minister Eduard Shavardnadze and United States Secretary of State George Shultz, the Soviets proposed three categories of issues to be addressed at the forthcoming summit between the heads of the two nations: international security, regional conflicts and United States-Soviet relations. The United States proposed a fourth: human rights. This is in the humanitarian and democratic American tradition. Yet if our foreign policy is not made to follow this tradition consistently in the rest of the world, and in our own hemisphere in particular, it will suffer in Geneva, and in the years ahead.

Mr. BOULTER. Mr. Speaker, I am pleased to join with my colleagues today in an expression of grave concern over the condition of human rights in the Soviet Union and Eastern Europe. More specifically, I rise to draw attention to a Soviet violation of human rights that is widespread and severe behind the Iron Curtain, yet has prompted very little, if any, action from this Congress—the persecution of Christians within the Soviet Union.

The Soviet constitution guarantees "the right to profess or not to profess any religion and to conduct religious worship." In addition, as a signatory to the United Nations' Universal Declaration of Human Rights as well as the Helsinki Final Act, the Soviets have vowed to the nations of the world their intention to uphold international standards of human rights. Yet Christian believers practicing their faith outside of the handful of lackluster churches approved by the Soviet authorities must live in continual danger of losing their very lives and freedom.

I am an original member of the Soviet Christian Adoption Program, founded in recent weeks under the direction of Congressman and Mrs. LANTOS. The goals of this program are to make the Soviets aware that the United States Congress knows of their ubiquitous persecution of Christians, and also to let specific imprisoned believers know that someone knows of their plight and cares enough to act on their behalf.

Allow me to introduce someone whom I greatly respect as a brother in Christ and whose release from prison I will continue to seek. Baptist Pastor Dimitri Minyakov is a 64-years-old man with asthma and tuberculosis. Two years ago, Dimitri was sentenced to 5 years in a strict regimen labor camp for encouraging the separation of church and state, speaking on behalf of persecuted Christians and teaching Christian principles to his children. Soviet authorities confiscated his property, expropriated his parental rights and placed his youngest son in a state orphanage where he was educated in the spirit of atheism. A widower and father of five, Dimitri has only once been permitted to see his children—on May 5, 1984. In response to numerous petitions on his behalf, he was moved from northern Siberia to a camp on the Volga River where the climate was less harsh, yet still Pastor Dimitri was in the camp sick-bay and hospital on six occasions in the first half of 1984. In July and May 1984 he was sent to the punishment cell for not being able to work.

A stifling cloud of either ignorance or apathy has kept the United States Government from voicing an opinion about Soviet treatment of believers like Dimitri Minyakov. Documentation of the oppression of Soviet Christians is as old as the Soviet Union itself. What better time than the dawn of the Geneva summit to send a signal to the Soviet Union that the United States Congress can no longer sit idly by. As President Reagan asks the Soviets for an honest and fair effort toward world peace, let us also add our voices challenging them to deal honestly and justly with their own people.

Mr. BERMAN. Mr. Speaker, Yelena Bonner, wife of dissident Andrei Sakharov, has been given permission to leave the Soviet Union on a temporary visa to seek medical treatment. Irima Grivnina, a Jewish refusenik who was involved in researching the use of mental hospitals for the confinement of political prisoners, has been given permission to leave the U.S.S.R. With the release of these individuals the Soviet Union has made a timely gesture to the United States. Our task now is to recognize this gesture, be pleased that Ms. Bonner can seek treatment and Ms. Grivnina has her freedom, and at the same time convey our feeling that human rights must be for everyone, not only a token few.

From the moment the summit meeting between President Reagan and Mikhail Gorbachev became a reality, our primary focus has been the importance of achieving an arms control agreement. The American people will not support a treaty, however, until the Soviet Union indicates a willingness to cease the oppression of political prisoners, put an end to torture, ease restrictions on emigration of Jews, and comply with the Helsinki accords.

The history of human rights abuse in the Soviet Union and the Eastern bloc countries is familiar to everyone. All one has to do in the U.S.S.R. to be accused of circulating anti-Soviet slander is to share an opinion with the wrong person. As far as we know, no prisoner tried on this charge has ever been acquitted.

Others who have attempted to exercise their rights have been confined to psychiatric institutions. Soviet authorities then rule that the accused is incapable of standing trial—in effect, imposing an open-ended sentence of detention. Hospitals in the U.S.S.R. are used to silence individuals like Valentin Sokolov, a poet who died in a mental institution after spending 24 years as a prisoner of conscience.

More subtle forms of confinement await those who choose to maintain their religious beliefs. Any organized religious group in the U.S.S.R. must register with the authorities, agree to do no charitable work, and pledge not to teach religion to children. The punishment for violating the laws separating church and state is up to 10 years internal exile. For Soviet Jews,

harassment, beatings, and imprisonment is often the reply to a request for an exit visa.

Conditions in the Eastern bloc countries are not much better. In Bulgaria, where 5 years imprisonment awaits anyone who expresses views not approved of by the authorities, there are an estimated 250 political prisoners. In Poland, kidnaping, beatings and killings, were used to pressure Solidarity members and to silence their continued, courageous opposition to the government. In Romania, administrative punishment includes the denial of wages, food, and medicine.

Until there is some sign that the U.S.S.R. will begin to adhere to the guarantees of the Helsinki accords on a widespread basis, the American people will have great difficulty accepting an arms control treaty. It is our hope that Mr. Gorbachev realizes he has a unique opportunity to ease the tension between the United States and the U.S.S.R. and to provide an ideal atmosphere for meaningful negotiations, but only if he makes meaningful progress in human rights.

Mr. BILIRAKIS. Mr. Speaker, first, let me commend the gentleman from New Jersey [Mr. COURTER] for holding this very timely special order on the human rights situation in the Soviet Union and Eastern Europe. As the summit between President Reagan and Soviet Premier Gorbachev nears, it is not only fitting but essential that we focus attention on the human rights record of the Soviet Union and her Eastern European satellites.

In July of this year, I had the privilege of traveling to the Soviet Union to meet with some of the victims of that country's restrictive immigration policies. Thousands of Soviet Christians and Jews are prevented from freely practicing their faiths. Those who wish to emigrate to the country of their choice to be with their family in a free environment are denied that privilege and, instead, face the endless harassment reserved for those who do not conform to the State's narrow definition of a good citizen.

These human rights abuses exist despite the fact that the Soviet Union's constitution guarantees the right to profess or not to profess any religion or to conduct religious worship or atheistic propaganda. If we look at the record, it would appear that at least this section of the Soviet constitution is itself propaganda, because the right of individuals to worship as their faith prescribes is certainly being denied. We must also assume that Soviet compliance with the 1975 Helsinki accord, to which they are a signatory, is more a matter of myth than reality, because the right to emigrate freely is also being denied.

Perhaps the group of Soviet citizens suffering religious persecution with whom we are most familiar is the Soviet Jewish community. I think we are all aware of the grim statistics that show the decline in Soviet Jewish immigration and are familiar with the cases of many individual Jewish refuseniks who have been brought to the attention of the Congress. Upon returning from the Soviet Union this summer, my colleagues who accompanied me on the trip and I held a special order similar to this which focused on the plight of Soviet Jews, and we must continue to press for an end to their harassment and for a less restrictive emigration policy from the Soviet Union.

However, many, Soviet Chiristians are also suffering as a result of their unwillingness to surrender their faiths, and I want to take a few moments to focus on these courageous individuals. Soviet Christians of all faiths are literally a people under seige. Active religious belief and education results in exclusion from the Communist Party. This is tantamount to becoming a persona no grata in Soviet society and often means the loss of job and professional status.

Prior government approval is needed for every group of Christians who want to meet to practice their faith, and frequently, this permission is denied. Those who meet without permission subject themselves to the risk of imprisonment.

Religious believers are probibited from engaging in charitable activities, proselytizing, or providing religious instruction to their own children. There have been cases in which the government has actually removed a child from his home and family because his parents have refused to abstain from teaching him about his faith.

One small effort I have undertaken on behalf of those Soviet Christians held hostage in their own country is the adoption of one such individual. Irina Ratushinskaya is a 31-year old Russian Orthodox Christian who was arrested in September 1982 on charges of anti-Soviet agitation and propoganda. What crime had Irina committed? She had circulated her poetry, most of which reflects her Christian faith, and she had associated herself with the free trade movement.

For her crime, Irina was sentenced to 7 years in a strict regime camp and 5 years of internal exile. This brave woman engaged in a number of hunger strikes in late 1983 and 1984 to demand her right to see her husband. In March of this year, she was finally granted a short visit with him. It is on behalf of Irina and her husband, and so many others like them, that we must demand positive action to restore human rights to all Soviets citizens.

As an American of Greek ancestry, I was also quite interested in learning about the plight of Greek Orthodox individuals in the Soviet Union when I visited there, and I was very dismayed with the information I received. Some 25,000 to the 500,000 Greeks in the Soviet Union are seeking to emigrate to Greece and elsewhere but virtually none are currently receiving exit permission.

Those knowledgeable with the issue attribute the decline in Greek emigration—from 100 persons a month a few years ago to the present level of 1 or 2 families a month—to the population goals of the Soviet Union. Maintaining Greeks and other so-called white nationals in Central Asia as a balance to the rising Asian-Islamic population requires that those seeking to leave are denied permission to be reunited with their families and to return to their homeland.

I know that the plight of these Soviet citizens reflects the status of human rights in Eastern Europe as well. That is why it is so important for the United States to continue to make human rights an issue in all our dealings with these countries, and not only during the upcoming summit with the Soviets. These individuals have refused to be defeated despite tremendous pressure to abandon their faith and their dreams of freedom. We owe it to them to keep the light of truth shining on them, and I appreciate this opportunity to make my small contribution to that goal. Thank you Mr. Speaker.

Mr. COURTER. Mr. Speaker, I yield back the balance of my time.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On October 11, 1985:

H.R. 2475. An act to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes.

On October 22, 1985:

H.R. 2410. An act to amend the Public Health Service Act to revise and extend the programs under title VII of that act.

On October 28, 1985:

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week";

H.J. Res. 386. Joint resolution to designate November 25, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger";

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States"; and

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission.

## GRAMM-RUDMAN-MACK DEFICIT REDUCTION ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTON] is recognized for 60 minutes.

Mr. BARTON of Texas. Mr. Speaker, as we meet today, at this very moment over in the Longworth House Office Building, the conference committee between the House of Representatives and the other body of Congress is meeting to evaluate the Gramm-Rudman-Mack Deficit Reduction Act of 1985. This legislation, which has passed the other body, if adopted, will mandate a balanced

budget by this Congress by the fiscal year 1991.

In my opinion, Mr. Speaker, nothing could be more important for this Congress to adopt than the Gramm-Rudman-Mack legislation which would give us a balanced budget by fiscal year 1991, and which would at least give us the mechanism to begin to get spending under control.

My colleague, the gentleman from North Carolina, BILL COBEY, is joining with me in this special order to discuss the problems that excessive deficits have created for our country, and what we can do to bring them under control.

Mr. COBEY. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. Mr. Speaker, I yield to the gentleman from North Carolina for such comments as he would like to make on the problems of the deficit.

Mr. COBEY. Mr. Speaker, I thank my colleague for yielding and for taking this special order. I think the thing that is most significant is that we finally have a deficit plan to deal with this deficit and reduce it by 1991 to a balanced budget.

Without giving the specifics of the bill right now, and I think it has been discussed a lot, and we may get into that a little bit later, but let us review the situation on budget deficits in this country. We can look right now at the fact that we just got the news for fiscal year 1985 that ended in September, and I will tell you what is playing back home in North Carolina and show you this paper. This is headlines in the Saturday paper and it says, "U.S. Deficit Hits Record $211.9 Billion." This is at the top of the paper, the Durham Morning Herald. So this is no record to be proud of.

It also lists the years from 1960 to 1985 and says that again we have a deficit. This makes 25 out of the last 26 years that we have had a deficit.

□ 1615

The only year that we had a surplus was in 1969; it was really small in terms we are talking about today; it was $3.2 billion. When you look at this kind of record, you have to believe that it was probably a mistake; that it was an oversight; that it was an accident that we ended up with a surplus.

Now, I don't know how it was when the gentleman from Texas [Mr. BARTON] was going through school; and I went to some of the finer schools and yet, the mentality of the age in the colleges and universities at one time was, "Don't worry about budget deficits. We owe it to ourselves." I do not know whether anybody here in the House heard that, but when I talk to groups out in my district, I get a lot of nods out there.

Well, the chickens have come home to roost. We finally realized that just like personal debt, business debt, family debt, whatever kind of debt, you finally have to pay for excessive spending and deficits.

Let us look at our total national debt. The on-book deficit we are talking about raising that ceiling; it is over $1.8 trillion now, and we are talking about moving it to over $2 trillion so we can pay our bills.

I think it is significant that we are looking at Gramm-Rudman-Mack at Halloween, and my son was reading the cartoons this Sunday at home, and this is Frank & Ernest. This is a cartoon that is titled here, "U.S. Department of the Budget" and it has two computers talking to each other.

One computer says to the other, "What are you doing for Halloween?" And the other computer says back: "I think I'll do a mass mailing, telling everyone their share of the national debt." It is incredible the amount of responsibility and deficit and debt that we are passing on to our children. I will tell you, my son, only 13 years old said, "Dad, would you explain this to me?" It took me about 3 seconds to explain it to him. He instantly computed what the problem is.

Mr. BARTON of Texas. Perhaps we need to bring him to the Congress and let him explain it to some of our fellow colleagues who evidently have not discovered what the problem is yet.

Mr. COBEY. I think the gentleman makes a valid point; that this is something that even young children can understand, but apparently is very difficult to understand here in the House of Representatives.

Also, I think we ought to look at the consolidated statement, financial statements of the U.S. Government. I do not think a lot of people even know that this exists, but it can be obtained through the Department of the Treasury.

This gives a lot of financial information including the balance sheet, just like a business would have a balance sheet, for the United States and also a revenue and expense statement just like a business would set up statements.

The revealing thing from this statement is the fact that our debt is not just $1.8 trillion, going on $2 trillion, but our debt is more in the order of $3.8 trillion. Because when we look at our assets, which are $938 billion, and then take our liabilities, subtract those assets from the liabilities—normally you are subtracting liabilities from assets or you are in a bankrupt condition; you are not even in business, but in this case we subtract the assets from the liabilities, which are $4,736 billion, and what we find out is that our accumulated position as of last fiscal year, which was not 1985, but the 1984 fiscal year which is the latest data we have, is that we have an accumulated position of minus $3,799 billion. We are bankrupt right now.

Looking deeper into this situation, the Comptroller General who put this together for the Secretary of the Treasury says that under the assets, that the accounts receivable and the loans receivable are overstated in this document.

Going a little bit further, I know that there are plenty of people out there that are in business when the IRS comes knocking on their door, they have to present audited statements of what their business is doing financially.

Guess what? We cannot even audit the finances of the U.S. Government. This is not an audited statement. It is incredible that we require of people things that we as a government do not even require of ourselves.

Breaking down the components of this debt and looking at it, we realize that in our current budget, the cause of this enormous debt, that the third largest portion of each fiscal budget is the interest on our debt.

In 1984, it was $129 billion; I do not know the exact figure for fiscal year 1985, but we are estimating it will be at least $142 billion next year.

Now there are two ways to solve a deficit situation. I know that some people have other ways: I know that economic growth is an important part of any progress we are going to make on the deficit, but there are basically only two ways; Either increase revenue or decrease expenses.

What we are really talking about, as the gentleman from Texas [Mr. BARTON] knows, is reducing the rate of growth of spending, because spending has increased enormously just over the last 10 years.

Taxes are not the answer. Taxes will cripple this thriving economy that we are so fortunate to live in. Let us look at a few facts: In 1965, the revenue that the Federal Government was taking in as a percentage of gross national product; which is goods and services produced in this country, was 17.7 percent. Of course we were overspending in that year; we were spending 17.9 percent of the gross national product.

In fiscal year 1985, however, we are taking in more money than we were back in 1965, we are taking in 19.2 percent instead of 17.7 percent of the gross national product, but we are spending at much greater levels. We are up at 24.6 percent of the gross national product.

A lot of that, of course, is the interest expense that has been growing and growing as we have become deeper in debt.

There does not seem to be any will right here within the body to deal with expenditures, in the face of the budget deficits.

Let us look at what happened on the reconciliation package last week. I think that we ought to note within this body, in case anybody did not realize when they were voting, that they voted themselves a 10-percent pay increase. Five percent in 1987 and 5 percent again in fiscal year 1988, and these are people voting for a pay increase that have not done the job that the American people put at the top of the list; it is not just in North Carolina.

Budget deficits, not tax reform and other things, is the No. 1 thing that the American people want to deal with.

Mr. BARTON of Texas. Reclaiming my time, I would like to comment on that, Mr. Speaker.

The gentleman from North Carolina [Mr. COBEY] has been talking about the budget reconciliation progress in the Congress. There is an interesting editorial in the Wall Street Journal of yesterday, October 29, entitled "Budget Cutting Made Easy" and I think it would be illuminating for Members of this body to read, if perhaps they have not yet had the opportunity.

I would like to read that editorial into the RECORD at this time.

The title of the editorial is, "Budget Cutting Made Easy."

Congress finally has figured out a way to cut the federal deficit. It's called paralysis. As long as Congress fails to boost the federal debt ceiling it will have the best of all possible worlds. It can appropriate funds to its heart's content, to subsidize farmers, Amtrak riders, subway builders, merchant seamen, doctors, lawyers, beggarmen, chiefs. But if the President can't borrow, he can spend only what the government takes in. So, in a process called "deferral" he simply tells a lot of constituencies, "We'll send you the money when we get it."

Compared with what we've had, it's not a bad way to run the government. In the process of deferring, the President must make economic choices, deciding, for example, whether it is more important to build a shopping center in Des Moines or protect the U.S. from nuclear attack. Any process that forces such choices represents progress—a kind of shotgun item veto.

Congress has demonstrated once again this year that it cannot make economic choices on its own. The separate House and Senate "deficit-reduction" bills to be reconciled this week were properly described to the Associated Press by an anonymous OMB official as mostly phony, except of course for the new taxes. Appropriations bills currently under consideration by the two bodies, for agriculture, transportation, labor, health and education, are billions of dollars over budget. In forecasting federal spending, it is appropriations bills, not budget resolutions, that count.

So what "deficit reduction" really distills down to is an effort to wrangle some new taxes. The Senate wants to introduce the equivalent of a European-style value added (VAT) tax into the American tax system, under the guise of a special levy to clean up "toxic wastes." It also wants to add a new import duty to finance "worker retraining" in the U.S.; since there has never been a huge demand for retraining under existing programs, it must be assumed that the main objectives are revenues and a little discreet protectionism.

As always, revenue enhancers have some guileful arguments. They say, for example, that just-released budget figures for fiscal 1985 demonstrate that the federal deficit expanded even in a time of economic recovery. The deficit did expand, to $211.9 billion from $185.3 billion the preceding year, and even though the recovery slowed sharply this year there was indeed a recovery of sorts.

Now, we oppose making deficits per se the center of fiscal policy. The U.S. public sector as a whole (federal, state and local) had a smaller net deficit relative to GNP last year than Japan, for example. Japan need not be sanguine, but its recent performance suggests that large debt is less of an obstacle to growth than heavy taxation. More tellingly still, economist Alan Reynolds points out in the fall Cato Journal that, despite all the talk of deficits, total U.S. public debt has held steady at 46% of GNP since 1970. This is certainly no reason to cave in to the tax increasers.

The U.S. should be concerned about its deficit not because it is a clear and present danger to the U.S. or world economy but because the deficits reflect an underlying inability to control the growth of federal spending, which in turn reflects an institutional breakdown. Federal spending habits are not only wasteful but destructive, as when they make American farmers wards of the government or create pressures for new taxes.

So the most important thing to notice about the newly released deficit figures is that none of the increase was caused by declining revenues. Indeed, revenues rose 10.1% in fiscal 1985 from fiscal 1984, considerably faster than inflation. So much for the notion that the cause of the deficit is a "declining revenue base" wrought by the Reagan tax cuts.

The deficit grew because spending climbed by 11.3% over 1984. And Congress is even now in the midst of again demonstrating its inability to contain over-budget appropriations bills. Unless something is done, outlays will continue to climb fast this fiscal year, and the year after, ad infinitum. The problem is that there is no budget process; Congress has become nothing more than a log-rolling arena.

Which brings us back to government by paralysis and budgeting by deferral. We know some folks find the current situation appalling, but we hope the administration seizes the deferral opportunity with alacrity. We could do worse.

□ 1625

Well, the Wall Street Journal, I think, very succinctly highlights the problem. We have got to get spending under control. Gramm-Rudman-Mack does this. It sets us on a path of declining deficits each year between now and fiscal year 1991.

I think it makes sense that we adopt this. I personally will not support any tax increases. I feel we have to get spending under control.

As the Wall Street Journal points out, spending has continued to rise in spite of our best cost-cutting efforts. So we have got to get Gramm-Rudman.

Mr. Speaker, I yield to the gentleman from Texas, Mr. ARMEY.

Mr. ARMEY. I appreciate the gentleman yielding.

I also appreciate the gentleman taking this special order and discussing this topic.

There are so many things that we could say about this. Obviously, so much attention is focused on the deficit and our ability, given this opportunity, to put an end to the deficit. I think we need to understand what that means. The first thing we do with Gramm-Rudman is we foreclose borrowing as an option. That really forces us into a choice of configuration that is very narrow.

We can choose to spend, but we must match our spending against our taxes.

We cannot hide the bill for current spending through borrowing and shift it on to a future generation.

This is what I think is one of the most important aspects of this initiative.

The other is that it defines a limit. One of the problems we have in this body is, we deal with numbers that are so large that they truly become mind boggling, and we lose sight of the fact that we have limits. When we go home in our own budgets, we understand it. It always reminds me of the discussion I remember having heard between a couple of farmers in the countryside. One farmer was trying to find out: What is a Communist? The other farmer says, "Well, a Communist is a guy, if he has a million dollars, he takes half and he gives you half."

The guy says, "Well, I can't understand that million dollars. It is so much."

He says, "Well, a Communist is a guy if he has 500 acres, he takes half and he gives you half."

And the guy says, "I can't understand Communists. It's too hard for me to understand such big numbers."

He says, "Well, let me see if I understand, let me see if I have the idea. A Communist is a guy, if he has got $50, he takes $25 and gives me $25.

"Well, you have $50 there, you give me $25, and you keep $25."

The other guy says, "Of course not." The other guy says, "Why not?" He says, "Well, I got $50."

When we bring it down to my level, when they are really taking my $50 and giving you half, and taking the $50 away from me as a private citizen, taking it out of my sphere of influence, I have a great deal of confidence that I, if I spend my $50, will spend it wisely.

I think it is an article of fact that an individual spends his own money much more wisely than he does somebody else's.

The problem is, as we take that into the Federal sphere of influence, as we

bring it into our spending patterns, we are simply not as wise as individuals spending on their own part, especially if we do not have an awareness of limits.

This is what I think the Wall Street Journal is trying to point out to us. We must first understand that we have a limit. We must operate within that limit. We must make hard choices facing tradeoffs, knowing we can only spend more in one area of the budget if we are willing to make cuts in the other.

Or, alternatively, we have got to turn right around to the American taxpayer and say, right now, "For this spending, at this time, we are going to have to ask you to give us more taxes."

Now, the taxpayers of America are very certain about this. They do not want to give us more tax revenue because they believe and they know that they can spend their money much more wisely than we can.

Now, the final analysis is, we must have discipline, the decisions have to be made here. Again, in your Wall Street Journal editorial I think the point was made very clearly: It is not in budget rhetoric where these decisions are made or fail to be made, it is in appropriation bills.

The American public are saying to us: "We have got to have from the American Congress discipline in the appropriations process. We will not accept you any longer operating on each appropriation bill separately as if it were not related to the other items in the budget and operating without an awareness of the limits."

That is why we need Gramm-Rudman and we need it now.

Mr. BARTON of Texas. I have been told, Mr. Speaker, that the gentleman from Texas is organizing a group called budget commandoes whose sole purpose is to serve as a watchdog on these appropriation bills and make commando raids to try to reduce spending when they feel that it is appropriate to do so and they have a chance of success.

Would the gentleman from Texas look to comment on that idea?

Mr. ARMEY. Well, that is precisely right. Having been a new Member of this Congress, I sat and watched, institutionally, how do we function here? We function through committees. In fact, in the committees we generally tend, all too often tend, to ask for more spending. Now, the fact of the matter is, the American people, the public interests of the American people are represented right here on the floor of this body. It is at this point that we see the comprehensive viewpoint of the American people.

It was with respect to that that I decided to organize a group of people who wanted to come on the floor of the body here, represent the general interests of the American people, and take spending cut amendments to the floor on behalf of the American people. We will hear more about that later. If I may return again to this question of Gramm-Rudman, we have to understand that the hour is growing late here.

In the other body, when they tried to find an avenue or a vehicle by which they could bring the Gramm-Rudman proposal to passage, the only vehicle they have that had any opportunity really of achieving that was to tie it to this vote to raise the debt ceiling.

I think that, in itself, is a rather sad testimony. They have to take the opportunity that is presented by the fact that we must raise the debt ceiling just to pay our current obligations, to take a piece of legislation into a place that will give us the ability to cut future needs for debt ceilings.

Yes, we must cut spending now, but we have not found a way outside of Gramm-Rudman.

We have got to move on this fast. Now, we have to also understand that we are living in some jeopardy here. Unless we get this thing resolved this week, the Federal Government is going to have a very difficult time meeting its current obligations, beginning at the end of this week, and the American people, I think, need to contact Members of this body and insist that we take action this week to save the future financial stability of their families and of their country.

Again, Mr. Speaker, I appreciate the gentleman yielding.

Mr. BARTON of Texas. I thank the gentleman from Texas.

Mr. Speaker, I think it is somewhat enlightening when the gentleman talks about the effort to raise the debt ceiling that the other body had to vote straight up or down to increase the debt ceiling and, in doing so, did attach the Gramm-Rudman amendment.

In this body, we very conveniently hid a debt ceiling increase in the budget resolution which we passed back in August that automatically raised the debt ceiling so that the borrowing would match the revenues needed to fund the budget process.

This Congressman voted against that budget, and that was one of the main reasons, because I do not believe that you try to hide what you are doing to the present taxpayers and to future generations.

I personally do not think we ought to raise the debt ceiling. I think we ought to reduce spending and begin to pay off the national debt.

I think it is somewhat indicative of what some Members of this body really feel about reducing spending. Not only do they not want to reduce spending, they do not want to be up front with the American people about increasing and continuing to increase the level of borrowing necessary to continue the expansive spending programs that we have in this country.

Mr. ARMEY. Again, I want to thank the gentleman from Texas for taking this special order. I think one of the things we might want to consider is: The very fact that the gentleman is here in this special order, working late, is evidence of the fact that he has gone home, as I have gone home, and Mr. COBEY has gone home, and we have listened to the American people, and they are telling us a very clear message: They want action, and they want action now.

I think the gentleman from Texas and the gentleman from North Carolina will agree that if this body does not perform within the context of this week and deliver the goods for the American people, I think we can be prepared to be dealt with very severely.

Mr. Speaker, I again want to congratulate the gentleman for his dedication and willingness to take this special order.

Mr. BARTON of Texas. I thank the gentleman.

Time does not permit me to read all the editorials on the Gramm-Rudman Deficit Reduction Act.

□ 1640

But I would like to read the headlines and submit these for the RECORD.

The Fort Worth Star-Telegram, on October 8, ran an editorial, entitled, "The deficit. Gramm plan sensible path to balanced budget."

The Dallas Morning News, on October 18, ran a headline on their editorial page, entitled, "Over to you, Tip."

Again, the Dallas Morning News, back in September, ran an editorial, "Budget process: Just slightly flawed." That is an understatement.

The Lufkin News, Congressman CHARLES WILSON's district, ran an editorial, "A move to balance the budget," which was supportive of the Gramm-Rudman process.

The Houston Chronicle, on October 6, editorialized, "Congress needs to force discipline on budget."

The Lubbock Avalanche-Journal, October 13, ran an editorial, "Big spenders held accountable. Gramm plan offers way out."

The Amarillo Daily News, October 14, ran an editorial, "Balanced budget issue in the Democrat's court."

It goes on and on.

My colleague from Texas commented on people having spoken, the people are speaking, and the editorial writers in this country are speaking that we need to get the budget process under control, we need to pass Gramm-Rudman-Mack, we need to bring some fiscal discipline back to the process.

I would like to yield now to the gentleman from North Carolina again, Congressman BILL COBEY.

Mr. COBEY. I thank the gentleman for yielding and I thank him for taking this special order. I appreciate the Members from Texas who seem to show a great deal of fiscal restraint and time and time again back up their rhetoric with their voting.

We have to deal with these appropriation bills. As I said earlier this year, when I brought an amendment to the floor, an amendment to the legislative appropriation budget, we have got to start right here in the House. We cannot look out to America and look out to the people, many of the people who are in great need, and say, "Look, we want you to sacrifice," unless we as the House of Representatives, as an institution, are willing to sacrifice.

Congress itself will spend approximately $1,290,000,000 right here next year, a flood or a blizzard of mail going out of here, costs of staff going up.

When I came to the House floor—and the gentleman in the well backed this amendment, I remember—I said to the Members, "Can't we cut it just a little bit? Can't we cut it 2.7 percent, just $34 million?" That is not a lot of money in terms of the money we are talking about. But it would have been a very, very important gesture to take it back to fiscal year 1985 levels for appropriations to run Congress instead of jacking it up even more millions of dollars. And included in that budget was a 41-percent increase in the cost of sending out mail, more elevator operators to operate these automatic elevators around here, and 17 percent increase in the salaries paid to congressional staffs.

Mr. BARTON of Texas. How much of an increase?

Mr. COBEY. Seventeen percent.

Mr. BARTON of Texas. In 1 year?

Mr. COBEY. I know that does not go to the individual employees, but this is further increasing the numbers of people we have around here. As I have observed, people are falling all over top of each other now.

Did the gentleman want to speak to that point?

Mr. BARTON of Texas. I do not know that there are many people in the private sector this year who are going to get a 17-percent increase in salary. I find that a little difficult to believe, that we would be voting that kind of an increase in our congressional staff budget in view of the fact that inflation is running less than 4 percent, and I believe the average increase in pay in the private sector, when there are increases, is somewhere in the neighborhood of 4 to 6 percent.

Mr. COBEY. Well, I want to submit to this House that I believe that some of the Members may need to go back and look at their basic civics books again, because time and time again—and I say this with all due respect to the Members—I hear people come and blame the President, President Reagan in this case, for the budget deficits.

Now, President Reagan has not been President for 25 out of the last 26 years while we have had this deficit, and the fact of the matter is it does not matter whether it is a Republican in the White House or a Democrat, it does not matter whether it is President Reagan, or whoever it is. When you get back to basic government and civics, the executive, which the President represents, spends the money that is appropriated by the Congress. No money is spent by any President, any executive, unless it is approved first here in the House of Representatives and the Senate.

We are the ones who are to blame for this deficit, this institution, the big spenders of the past. Every dime that is spent comes right out of here. In the real sense, we are the board of directors or board of trustees of this country, and any time we point a finger at the executive or any President in the White House, there are three fingers pointing back at us. We are the ones who are responsible.

We have got to stop this railing against the bureaucracy, and that sort of thing. Yes, there are plenty of things going on in the bureaucracy that need to be corrected. But we are the ones who should be correcting it. Every board of trustees of any company or university is held responsible ultimately—legally, even—for the officers' conduct and what happens in that company.

Mr. BARTON of Texas. One possible solution to this problem, speaking of the board of directors, if you assume that each of the 435 Members of the House is a member of the board of directors, we have got a trillion dollar budget this year, if we divided that proportionately, I believe each Member of Congress would be responsible for a little over $2 billion; so perhaps you could take charge of $2 billion and Congressman SMITH could take charge of $2 billion and I could take charge of $2 billion, and perhaps that way each in our own area we could get spending under control.

I feel there are enough of us who would handle our responsibilities in a fiscally responsible fashion, and perhaps that might bring it down if Gramm-Rudman happens not to pass.

Mr. COBEY. If the gentleman will yield further, what is so great about this Gramm-Rudman is that it gives us a chance for action instead of all this rhetoric all the time. We can postpone reality only so far, and that is what has been happening for years.

Certainly, in the long term, Congress has got to do a better job of oversight, in evaluation of programs. We can also do a better job in the short term. We need a balanced budget amendment to the Constitution. But that is a long-term solution also. But we have got to keep the pressure there.

Mr. BARTON of Texas. On that point, in this Representative's opinion, what we need to do is pass Gramm-Rudman this week, and we have to do it by Friday or the Government is totally out of borrowing authority, and then, in the next 5 years, get a balanced budget amendment, perhaps Congressman CRAIG's, which right now has 217 cosponsors, get it passed through the House, through the other body, get the President to sign it, send it to the States for ratification, once we get three-fourths of the States to ratify the amendment, perhaps by 1991, it will be a part of our Constitution and we will have a permanent spending control in our Constitution.

Speaking of oversight, we have got one of the best overseers of the Federal budget that there is in Congressman BOB SMITH of New Hampshire who is with us, and I would be happy to yield to my good friend, Congressman SMITH, for his views on this subject.

Mr. SMITH of New Hampshire. I thank the gentleman for yielding, and I thank him also for his leadership in getting this matter before the public with this special order tonight.

Mr. Speaker, I would like to accept the gentleman's challenge on behalf of the 550,000 people in my district and the approximately 1 million people in our little State of New Hampshire, that I would be happy to take up my $2 billion right now, beginning right now, get my $2 billion out, and I know that Mr. COBEY here will get his $2 billion, you will get yours, and we have got $6 billion out. That is more than the Congress has done in the last 10 months anyway, so we have got a good start here tonight. If we can just get a few more people in here to join us, I think we would be in good shape.

I would like to pick up on a point that my colleague, Mr. COBEY, made. He is absolutely correct. If rhetoric could balance the budget around here, we would have a $2 trillion surplus rather than a deficit. The truth of the matter is, we, collectively—we, this Congress—does not want to balance the budget, has not wanted to balance the budget, and probably will not balance the budget without something like Gramm-Rudman, which gives us, as has been said here earlier, the discipline and the teeth to do it.

With all due respect to the gentleman from Texas, there is another Senator on that bill, his name is Rudman, and he is from New Hampshire, so if you would be kind enough to let me include his name in there—we say

Rudman-Gramm in New Hampshire, but we will let you get away with Gramm-Rudman, since you have the special order.

Mr. BARTON of Texas. The name is not important. The substance is.

As President Reagan says, it is not so important who gets the credit but, more importantly, that the job gets done.

Mr. SMITH of New Hampshire. I think, in terms of the rhetoric, if I could just point out a couple of things, politicians are the only people in the world who create problems and then campaign against them. That is pretty much what happens around here.

Did you ever wonder why we have a deficit? The Democrats, Republicans, all, are supposedly opposed to deficits, yet we have $200 billion deficits and we have a $2 trillion debt, yet everybody is against it. I think, from a constituent's point of view, and from all of our constituents' points of view, we should point out that they do not propose the Federal budget, they do not vote on the Federal budget. We do. And we are the ones in this House of Representatives who, if we have a lousy Tax Code, who wrote the Tax Code? If we do not have an adequate defense, who did not provide an adequate defense? If we have deficits, who provided those deficits? I think that is the frustration that the American people feel when they see us day in and day out on the floor of the House of Representatives and hear what we say on the radio, read what we write, what we say in the newspapers—they begin to think, "What kind of hypocrisy is going on?"

I think that, basically, when it boils down to the bottom line, 100 U.S. Senators and 435 Members of Congress are, basically, responsible, because they vote on all of these programs, whatever they be, all the way across the board. And I think it is a crisis in confidence that the American people feel. And to top it off—and I think Mr. COBEY brought it up—we had the gall—collectively, we—on the floor of this House last week to vote for a pay raise, to vote ourselves a pay raise.

Mr. BARTON of Texas. Did the gentleman from New Hampshire vote in the affirmative on that or in the negative?

Mr. SMITH of New Hampshire. Well, I think the gentleman knows how I voted. I did vote in opposition to it and will refuse that pay raise, because I believe very strongly—and I think many of us do in this body—that we ought to earn the money before we take it. And we mortgage our children's future in a selfish manner, which we have been doing and probably will continue to do unless we get 218 people with the courage to vote for Gramm-Rudman, if we do not get that kind of vote on the floor of this House, we are going to mortgage our children's future. That is a selfish act and it is uncalled for. I think it is time that the American people have a call to arms and begin to look real hard at, first, who votes against Gramm-Rudman and, second, who voted for that pay raise. I do not care how you hide it—I know we hid it in the budget reconciliation bill, and all that—it was pointed out by our colleague on the floor of this House by the gentleman from Pennsylvania [Mr. WALKER], and he said so all will know, so that there will be no misunderstanding, "in this bill that you are voting for is a pay raise." Mr. LATTA gave us the opportunity to amend it out, and that was defeated. I think the American people ought to take a good look collectively at all of us and individually at all of us and say, "Let's call a spade a spade and let's lay it on the line, folks. You don't want a balanced budget, you want deficits, you want debt, because that's what you are voting for."

The gentleman from Texas and the other gentlemen here tonight who are talking about this issue, I know how you feel and I know how you voted. But I think that it is up to each individual congressional district and each voter to take a look at his or her Representative and see just how they did vote and see whether their rhetoric in fact matches their vote.

Mr. BARTON of Texas. I believe, on the Latta amendment to reduce the spending by $3.5 billion, which also would have eliminated the pay increase, the vote was 219 to 210.

Mr. SMITH of New Hampshire. That is correct.

Mr. BARTON of Texas. So if six Congressmen had changed their votes to the negative, as you and I and Congressman DELAY and Congressman COBEY did vote in the negative, we would have defeated the pay increase and we would have deleted $3.5 billion in spending, which we desperately need to do.

Mr. SMITH of New Hampshire. I think the gentleman is absolutely correct. To hear the rhetoric from some of our colleagues in this body, it is as if there were some mystical force out there. We use terms like "bureaucrats." Well, who created bureaucrats? Congressmen created the bureaucrats.

Another mystical force you hear is "the economy," "economic indicators." Your hear "inflation," "politics." These are all of the mystical terms that are thrown out that nobody understands and which have a definition a foot and a half wide. The truth of the matter is, if you take all of those terms and strip them away, it is 218 votes on the floor of the House of Representatives.

I would like to say to all of those individuals who feel so strongly about a balanced budget, who lobby, who come down here to Washington and say, "Please, Mr. Congressman, vote for it," and all of that, I think what we need to do is realize—and I think this puts it right on the line, and I might step on a few toes—the truth of the matter is, you do not have to lobby, you do not have to pressure, the American people do not have to write letters at all if they have got the right people here, and we need 218, and we do not have it. I am going to be watching, when this bill comes to the floor, and I want to see who is out there, who has got the courage to stand up and say, "I am willing to say that we are going to balance this budget in 5 years. I am going to follow that discipline."

We all have disagreements. I think that this is the key. We are surrounded by Texas tonight, but I know the gentleman from Texas has the same feeling.

□ 1655

Mr. BARTON of Texas. That is a warm feeling, is it not?

Mr. SMITH of New Hampshire. Yes; I am trying to show you that New Hampshire has that same frugality. You are learning, I think. I think we need to really, people need to really understand just exactly what is happening. It is hypocrisy in its worst form. We represent the American people; they overwhelmingly support a balanced budget. Most of them support a balanced budget amendment to the Constitution. But certainly a balanced budget. They want it; they say they want it. But the issue is priority. I think one of the saddest things, and I would like to mention one specific and then I will yield back to the gentleman, in this prioritization is the letters that come in from special interest groups. There are some now, and I am sure we are all getting them, from the veterans. As if this bill will cut disabled veterans. Nothing in this bill changes what the Congress wants to prioritize. If the Congress desires to cut veterans' benefits, I suppose they could do it. I am not going to do it; I do not think anybody here is going to vote to cut disabled veterans, but that is the kind of input that is going out because there is a misunderstanding about what this bill does.

This bill provides us the discipline to balance the budget. This Congress sets the priorities, and I want to make it clear to the American people this Congress sets the priorities. And you know what? I do not want to take one penny from a disabled veteran or a Social Security recipient or a spina bifida child. But I will tell you what, I would like to take that billion dollars away from Amtrak which is being given to Amtrak while spina bifida children suffer, while Social Security recipients do not get their pay, and while we talk about cutting disabled vets. That is prioritization. We cannot throw bil-

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lions and billions of dollars out there and try to cover everything. We need to prioritize and Gramm-Rudman forces us to do it.

I commend the gentleman again for calling this special order tonight and bringing this to the attention of the American people.

Mr. BARTON of Texas. I totally agree with the gentleman from New Hampshire. I think your point about establishing priorities is very relevant. There are 43 States, I believe, that have a balanced budget amendment or balanced budget requirement in their State constitutions. They do make these choices; it is difficult. You always have more people wanting to spend money than you have money to spend, but we are elected to make those tough decisions.

Speaking of State legislators, we have one of the best in Congressman TOM DELAY, who, before he became a Member of this body, was an outstanding member of the Texas legislature where he did have to operate under a balanced budget requirement. I would be happy to yield to my distinguished friend and colleague from Texas, Congressman TOM DELAY.

Mr. DELAY. Well, I thank the great gentleman and neighbor from Texas for yielding to me.

Mr. Speaker, as I sat here listening to the wise comments of my three colleagues that are on the floor right now talking about balancing the budget, I sense much the same sort of frustration that I think the American people are feeling.

Most of us here that are for a balanced budget and are for fiscal responsibility and have the courage to stand up and do something about it are constantly hearing this rhetoric and we constantly use the word "rhetoric." I call it an old story that had been going on for years and years and years. We are subjected to it day-in and day-out, even though we stand up and tell these people that are saying we can live with the deficits or saying that we do not want to cut certain benefits for certain people. It is the same old story. As it relates to the Gramm-Rudman amendment, which I call a system by which you can live under a balanced budget, we are hearing the same old story. It is unconstitutional. I think we have proven that it is not. The Gramm-Rudman will hurt defense or social programs. That if you take out Social Security, then you ought to be able to save certain programs in the social arena or you ought to be able to save defense.

Our own President has stood up and endorsed the Gramm-Rudman amendment and has said that I am willing to make those hard choices even though the bill itself does not automatically put it into the hands of the President. Congress has to act first.

I think the gentleman from North Carolina was referring to the charge that Reagan has never presented a balanced budget. I think the American people can remember though that when the President was elected in 1980, he laid out a four-point program. One was to cut taxes, two was to balance the budget and cut spending, three was monetary reform, and four was regulatory reform. He won that great battle of cutting taxes and he was proven right. He has had a hard time cutting spending because this House, and its liberal welfare state Congressmen refuse to do so.

If the President had had his way in 1981, we may be very, very close to a balanced budget today, because he has persented many, many ideas as to cutting spending and balancing the budget. But all this talk aside, we talk about billions of dollars and we talk about deficits and we talk about what it is going to do to certain individuals in our economy. But we never bring it down to what a deficit really means to the American people. Just think about this scenario very quickly, and I will yield the floor back to the gentleman.

What would the people of America think if every man and woman that had a child and made, let us say, $30,000 a year; spent $36,000 a year every year, for, let us just take 10 years. That would amount, including interest, because he would have to borrow the money in order to spend that extra $6,000. Now this man and woman is running out and buying boats and big, beautiful cars and going on trips and doing everything their heart desires, and spending at least 10 to 20 percent more money than they are taking in, and borrowing money to cover their extra spending, that would amount to well over $100,000 in the 10-year period.

What would the American people do if this syndrome was widespread? What would they say about a man and woman who, let us say, got into a car wreck and died suddenly and left their children with over $100,000 in debt because they were squandering their money? I think most American people would say that is horrendous. Why would someone destroy their family that way?

We are doing that in Congress today. Every child, because of the $2 trillion debt, every child that is born today, and I think today is October 30, every child born on October 30, 1985, is saddled with a debt of over $50,000 from the very beginning of his life that that child is going to have to pay back. That is what we are talking about. We are talking about the most immoral of immoral acts, and that is squandering our children's future, and that is a very trite remark that is used on this floor quite often, but we are saddling our children, and not only our children, but our grandchildren with this humongous debt. If we do not do something about it, and I consider this one of our last chances to do something.

I hope that the American people will not sit back and say oh, Congress is not going to do something; they never have, so why should I get involved? I would hope that the American people would see it as I see it, as one of the very last chances that we can cut this deficit and set a priority and set a guideline by which, by 1991, we have a zero balance in our budget. If they do feel that way, if they feel like it is the last chance that they will let their Members know. Then after the vote comes, if those Members that cry that we have to cut the deficit show a lack of courage and not vote for Gramm-Rudman, then they will express themselves in the polls next November.

Mr. BARTON of Texas. I thank the gentleman. I want to ask the gentleman a question but I would like to make a comment first. It is my understanding that for every dollar that we borrow today to finance our spiraling Federal debt, by the year 2000 we will have had to repay $71 just in interest on that $1.

□ 1705

So for every year that we continue to borrow more than we bring in, it causes future taxpayers, which are our children and our grandchildren, to have to repay tremendous sums of money in the future.

Mr. DELAY. What will the gentleman in the well's age be in the year 2000?

Mr. BARTON of Texas. Well, I am 36 today. In 15 years, I guess I will be 51 years old.

Mr. DELAY. Close to retirement.

Mr. BARTON of Texas. I hope so. I will still be in there kicking at 51.

Mr. DELAY. But at the same time the gentleman is getting to the end of his productive life, and what people on this floor are saying to us is "So what. I don't care one way or another."

What I am saying is I am going to be ready to retire on these wonderful programs, and I am going to have a wonderful retirement coming out of this House and my child can pay off all that I have spent and my grandchildren can pay off all that I have spent, and who cares.

Mr. BARTON of Texas. Well, if we do not pass Gramm-Rudman or something very similar to it and continue to spend like we are spending today, by the year 2000, interest on the debt will be the largest item in the Federal budget. The interest alone will be as large as our total budget is today.

Mr. DELAY. If the gentleman will yield further, what happens in a business when the interest on their debt service is so much higher than their

assets? What happens to that business?

Mr. BARTON of Texas. That business goes out of business. It ceases to exist.

The question I would like to ask the gentleman from Texas is since the gentleman did serve in the Texas Legislature and the Texas Legislature does have a balanced budget requirement, was there ever a year that people requested less money than there was available to spend?

Mr. DELAY. Absolutely not. Members would come with their own little special interests and they would ask for more money. But the body as a whole had to sit down and prioritize based upon how much money they had in Texas that next year or that next biennium, and they would have to prioritize these programs and turn down some good programs, turn down some increases, and yet move the money around so that we only spend as much money as we take in.

Mr. BARTON of Texas. Were those decisions and those choices easy to make?

Mr. DELAY. Never are they easy to make. I think that is much to the credit of the legislators that serve in the Texas Legislature. They constantly are showing the courage to stand up and make the right decisions.

Mr. BARTON of Texas. Was the gentleman from Texas ever totally satisfied about the choices that were made on how to spend the money that was available?

Mr. DELAY. Absolutely not, never satisfied, because I never got what I wanted and many other members never got what they wanted. But I think the people of Texas got what they wanted.

Mr. BARTON of Texas. That is my point exactly. If the Congress of the United States, like the Legislature of the State of Texas, is forced to make choices, the people will get what they want because there will be a tremendous give and take and priority decisions will be made and, in the absolute, the available funds will be spent in the most effective fashion and on those uses that the majority of the people support.

Mr. DELAY. I might say, if I can, another great outcrop of this in the State of Texas is that members watch how the money is spent with a lot more favor, because they want to make sure that the money they did get is spent to its ultimate efficiency. So they spend a lot more time watching how the agencies spend that money. So that is another little extra that you get out of living under a balanced budget.

Mr. BARTON of Texas. Well, I thank the gentleman for his comments as someone who has had to operate in the legislative arena under a balanced budget requirement. I think it is very illuminating to have the gentleman's personal experiences.

I would like to finish up this special order, and I would like to thank all the Congressmen who participated with me, and very briefly just go over the situation once again as it exists today.

As we meet right now, the House and the other body are meeting in conference less than a block from this Chamber to try to come to grips with the legislation that has been passed in the other body. It includes a debt ceiling increase to over $2 trillion, but attached to that increase is an amendment that requires that the budget be balanced by fiscal year 1991.

It is balanced in five steps beginning with a deficit ceiling in fiscal year 1986 of $180 billion. That decreases each year for the next 5 years by $36 billion each year, until in fiscal year 1991 we go to zero.

It requires that the President submit a budget that meets the deficit ceiling targets. The ceiling that would be submitted, the target that would have to be met next year, would be $144 billion. The Director of OMB, the Honorable Jim Miller, is working on that budget at that moment. And then each year it goes $144 billion, $108 billion, $72 billion, $36 billion, and then zero.

If those targets are not met, the President has the authority to sequester funds. Sequester is a fancy name that means he just does not spend the money. He eliminates the spending the authority.

If the Congress wants to reprioritize the way the President wants to spend any funds, the Congress has the authority to do that. But the deficit ceiling cannot be broached, it cannot be exceeded.

Since we do not have any fiscal responsibility in this Congress, since we are currently incapable of making the tough spending decisions that need to be made, we need the discipline that Gramm-Rudman-Mack would give us.

I know that there are Members on both sides of the aisle who are working to get Gramm-Rudman through the conference committee and get it to the floor for consideration so that we can vote on it in a positive fashion, and I hope that we do so.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman.

Mr. DORGAN of North Dakota. Mr. Speaker, I have been listening to part of this special order and I agree with those on that side of the aisle, as I have for 5 years with those in this House who sit in every chair here, that we ought to try to balance the budget.

I heard the gentleman just remark that the difficulty is lack of fiscal responsibility in the Congress. That is part of it, certainly.

I recall in early 1981 when the President was at the well of the House and he was giving his State of the Union Address, and he described where we were going with the deficit and that very soon we would have a balanced budget. Ever since then, he has requested that this House increase the deficit yearly. And we have joint responsibility, the President and the Congress, for our budget deficit problem. I just think that ought to be pointed out. We have a responsibility to work together with the President to solve these problems. Without him, we will not solve it; with him, if both of us have the courage to do the right thing, we may well solve it.

Mr. BARTON of Texas. I thank the gentleman for his comments. If the gentleman will wait, I believe we have another special order and we can continue this discussion.

## REPORT OF EXCLUSION OF CERTAIN AGENCIES AND CLASSES OF EMPLOYEES FROM COVERAGE UNDER PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-118)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

(For message, see proceedings of Senate of today, Wednesday, October 30, 1985.)

□ 1715

## FISCAL RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. COBEY] is recognized for 60 minutes.

Mr. COBEY. Mr. Speaker, at this time I yield to my distinguished colleague, the gentleman from Texas [Mr. BARTON], who wanted to respond to the gentleman from South Dakota.

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman for yielding. I want to thank the gentleman for participating in our special order.

I agree that we need to work with the President. Under the Gramm-Rudman-Mack amendment the President would be required to submit budgets that were within the deficit targets.

It is always difficult to make those priority decisions. The President would have to make some priorities. He would submit the budget for our review. We may change some of his priorities, but we would have to stay

within the same spending limit. I think that is good for both the executive branch and the legislative branch to have to do so.

Mr. COBEY. Mr. Speaker, I would like to yield further to the other gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding, and will be very brief.

What difference does it make? Who is blaming whom? We point fingers at TIP O'NEILL, we point fingers at the President—who cares? We are presented with an opportunity to balance the budget, and everybody talks about wanting to balance the budget. All we want to do is bring that opportunity to the floor of this House and be given a chance to show that we mean what we have been saying for 30 years.

That is all we are asking for. We do not care who is to blame up until this point—well, I should back up and say I do care who is to blame, but we can get into an hour's discussion about how the President did not present a balanced budget or whatever you want to talk about. What we are talking about is we have a chance to do something about it. We have a chance to bring it to this floor and let us vote on it, and let us stop all this old time story that keeps going on around these Chambers.

Mr. Speaker, I thank the gentleman for yielding.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield.

Mr. COBEY. Mr. Speaker, first I want to apologize for saying the gentleman was from South Dakota.

Mr. Speaker, I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. If you are from North Dakota, that is more of a mistake than you realize.

Mr. COBEY. Well, I happen to be from North Carolina, so I realize what the gentleman is talking about.

Mr. DORGAN of North Dakota. Mr. Speaker, let me again in good fellowship say that we have a difference perhaps on how you go about solving this problem. It is important how this came about. What we are talking about in this town is the inertia of leadership.

I happen to disagree with President Reagan on a number of things including fiscal policy, because I think his fiscal policy has not been responsible. But I would be quick to add that this Congress has not been responsible, either.

Let me say that our difference is probably in that I believe you cannot solve this problem without additional revenue. I have witnessed year after year—just the most recent one was the enormous debate we had in this town about the President's "down payment on the deficit." Do you remember that?

Well, we go through this machination of a "down payment on the deficit." We end the year; the deficit is $211 billion.

Somebody says, "Well, that's because Congress didn't do what the President wanted." I will tell you something: If Congress had done everything the President wanted since 1981, including all of the spending cuts and including all of the defense increases, we would have a larger debt now than we do at present.

All I am saying is this: I think part of the response to this deficit is enormous restraint in spending, which includes the defense, all the way down the line; and second, I think that when you have 5,000 Americans earning $1 million or more, each paying no taxes, when you have 50 corporations earning $50 billion in 3 years paying nothing in income taxes, 30,000 Americans earning $200,000 or more in taxable income paying less than 5 percent in taxes, there is nothing wrong for us to change that Tax Code, deliver some additional revenue, and using that additional revenue to help reduce the Federal debt. So I am saying that revenue is part of the problem, and we have to solicit additional revenue in addition.

Mr. COBEY. Mr. Speaker, if I could reclaim my time from the gentleman from North Dakota, I appreciate his comments, but I cited earlier in this special order that we have been deficit spending for 25 out of the last 26 years. President Reagan has not been in the White House that long, and I think it is unfair to blame any President, because all appropriations—and I am not saying you are totally blaming the President—but all of the appropriations come out of this House, and I cited some statistics earlier that in 1965 we were taking approximately—meaning we, the Federal Government—was taking approximately 17.1 percent, I believe it was, of the gross national product, but we were spending a higher percentage than that 17—and I do not remember the decimal point—but it was a deficit-spending year. Now we are taking in over 19 percent of the gross national product in revenue, higher than 1965, but we are spending at levels of over 24 percent.

Mr. DORGAN of North Dakota. That is correct.

Mr. COBEY. What I want to pose to the gentleman, because I definitely oppose seeking out new revenue, I am for fairness, and there are some problems in the Tax Code that I would agree with the gentleman we have to deal with in the fairness issue, but I would submit to the gentleman: Where are we going to get more revenue? Are we going to jack this percentage up even higher and therefore perhaps cripple this economic recovery that we have all benefited from throughout our country?

Mr. DORGAN of North Dakota. Mr. Speaker, if the gentleman will be kind enough to yield, I will be glad to answer that.

Mr. COBEY. Mr. Speaker, I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, first of all, there is about $90 billion that is owed the Federal Government that is not collected through the IRS system that is simple tax avoidance. We need to strengthen the Internal Revenue Service.

Mr. COBEY. I think you say "evasion."

Mr. DORGAN of North Dakota. That is correct. And rather than strengthening the enforcement capability of the IRS, we are at present weakening the enforcement capability. So first of all I would say simple enforcement would get part of that $90 billion.

Second, aside from evasion, when you have the numbers I cited earlier, millions and millions of dollars by thousands of Americans who are very rich paying nothing, where some of the largest corporations pay nothing, I am saying that you can get additional revenue to help solve this problem.

One other point, if I might, and let me make it clear that I think a major part of the responsibility is President Reagan's and a major part of the responsibility is the U.S. Congress.

Comparing today's deficits—that is, the last half-decade—with all of the deficits in the history of the country is like comparing swimming to drowning. The reason I am glad the gentleman is doing these special orders is it is a crisis. We have got to draw a line some place and say we do not have the luxury of playing this game as usual; we have got to stop it. Now we disagree on probably how we do that, but the gentleman is dead right, we have to stop this, and we have to stop it now. That is why it is important that we have leadership downtown, and that is why it is important that we have leadership here in Congress.

Mr. DIOGUARDI. Mr. Speaker, will the gentleman yield?

Mr. COBEY. I yield to the gentleman from New York.

Mr. DIOGUARDI. Mr. Speaker, just to respond to the gentleman's point, there is no doubt that we need a tax system that is fair, and I think we have to get there fast. But you have to be careful on how you characterize the money that we raise from the so-called rich in the country, and there is no doubt that we want to get our fair share from everybody.

One of the things that came out during the Grace Commission study was that if you treated everyone making over $75,000 a year as rich, and you decided to tax those individuals at 100 percent—in other words, take every dollar they make over

$75,000—you would have enough money to run the Government for 7 days. So it is obvious that you are not going to get the revenues that you think you are going to get from those people.

That is not to say that they should not be paying their fair share. That is not to say that corporations should not be paying their fair share. But I do not think that we can beat up on any one particular group.

I do agree that we have got to enforce the Internal Revenue Code a lot better. Latest estimates are that there is $100 billion of underground money, nontaxed income, that is not making its way into the system. Many people feel that that is the case because people are buying out of our system. It is too complex. And it is perceived to be unfair because of the many loopholes that were in the law.

But do not forget, we had a very comprehensive tax act called the Economic Recovery Tax Act of 1981 which closed many abusive tax shelters. There are many, many cases stacked up right now in the Internal Revenue Service on those abusive shelters, and I think we have come a long way, but we still have to come up with a tax reform bill that is perceived as fair by the public, so that they buy into it, so that everybody finds an excuse to pay taxes, not find an excuse not to pay taxes.

I would not beat up on just one segment of the population.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield one further time?

Mr. COBEY. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, let me say with respect that I could not disagree more with the gentleman's statement on the 1981 Tax Act and tax shelters. The statistics show that after the 1981 act shelters absolutely exploded in this country. I mean they have taken off like an airplane, and we are just now trying to control them. The reason they have been driven is because of an overly generous ACRS and the ITC and some other things. But the tax-shelter business has become the growth industry of the early 1980's because of the 1981 bill.

Mr. DIOGUARDI. Mr. Speaker, will the gentleman yield?

Mr. COBEY. I yield to the gentleman from New York.

Mr. DIOGUARDI. Mr. Speaker, there were incentives given to corporations. You are talking about the incentives given mainly to corporations on the leasing deals, and the accelerated depreciation, but I am referring to many of the individual tax shelters that played a very prominent role in the way the so-called rich dealt with their taxes, and I think much of that has been dealt with. We are nowhere near where we have to be. That is why we need a well-conceived tax reform act, and I hope that we get one.

I think the 1981 act did a lot to look at abusive shelters. What it did is it gave additional incentives. And maybe it is a matter of semantics. When that law was passed there was a need to give incentives for certain kinds of things, and it became perfectly legal to farm out investment credits and things like that. Maybe now we have to reconsider whether we went too far, and I think that is what we are doing with the current reform act. But there have been abusive shelters, and what I mean by an abusive shelter is a situation where someone invests money not for economic gain, but for just the tax benefits involved. And that is what we have to get away from.

I think that if we are going to encourage the use of the tax system it should be first to get people to invest in areas that are productive for the economy, that create jobs, that does something for the bottom line of this economy, and then give them incentive for doing that, and that is what I meant. I think the 1981 act did in many respects, especially with the shelters or the tax-motivated investments that affected individuals, do a fairly good job on that, but not enough.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. COBEY. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I promised the gentleman I would not impinge further, but one additional point. What I meant by the 1981 act is the unleashing of the ingenuity of the most resourceful professionals in this country to discover how we can take a sewage system of an American city, package it up, and do say a leaseback so that rich folks can get the benefit of depreciation or the benefit of some tax advantage that goes with the private sector owning a sewage system and leasing it back to the city, or a college dormitory, or a city hall, dozens of other things that represented the sheltering, the packaging of shelters, selling them to individuals.

We have gone from deficits to the Tax Code and I guess they are intertwined. I would just say this: All of the gentlemen talked about the need to cast tough votes. I agree with that.

We have got to bite the bullet on dozens and dozens of spending issues. If the gentlemen are willing to, I am. And if we are all willing to do that, and we have a little leadership from Ronald Reagan on the issue, maybe we will get this job done. If we are not willing to bite the bullet, and if Reagan does not provide any leadership, we will talk right now just as we talked last year, the year before, and the year before that, about this plan that leads there, and it will not lead us there. We will not solve the problem without that leadership.

I appreciate the gentleman's generosity in yielding to me so that I could make that statement.

Mr. COBEY. Mr. Speaker, I appreciate the gentleman's input.

I yield to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from North Dakota, for participating in this. I believe I am correct in that he is one of the few Members of this body who represents the entire State, which is a tremendous responsibility, and he is to be commended for it.

I support the gentleman's contention that we need leadership. I am happy to report that President Reagan has endorsed the Gramm-Rudman-Mack proposal. He thinks we need to get on with the business of reducing spending. Those of us that have been participating in this special order have endorsed it.

My question to the distinguished gentleman from North Dakota, given the opportunity to vote on Gramm-Rudman-Mack on this floor, does he plan to vote for it or against it?

Mr. DORGAN of North Dakota. It depends on how it comes out of the conference. I would expect it to be improved. I do not like the notion that we are going to do something after the next election. If we are going to do it, let us roll up our sleeves and get it done.

I also believe that while we do this spending job, we also need to force this President to understand that there has to be a complementary revenue side to it, and that is getting money from people who are not now paying their fair share of taxes. If we do one without the other, we are unfair to the American people. But if we get the proposal from the conference in a manner that represents a responsible way that says, "Look, let's roll up our sleeves here, let's not play games with this year's budget and allow for an increase in this year's budget for those that are running for election, let's not postpone the hard decisions until after the next election," I am going to vote for something like that. But the proof is in the pudding.

Mr. BARTON of Texas. I would point out to my distinguished colleague that our motion to instruct the conferees passed overwhelmingly.

Mr. DORGAN of North Dakota. And I voted for it.

Mr. BARTON of Texas. It was supported by the gentleman from North Dakota, as well as the majority leader, and I think the vast majority of Members on both sides of the aisle. It very

explicitly stated that we supported the Gramm-Rudman concept in general.

I would also like to point out that Members from the gentleman's side of the aisle, the Democratic Party—one of the improvements that they have proposed, as of yesterday anyway, was to reduce the deficit level allowed in this spending year to $172 billion. They wanted it more stringent, which I support, if we make it binding and make it part of the budget reconciliation process that the various appropriation and authorizing committees have to meet those targets this gentleman would support that.

I am not aware of any comprehensive alternative in the conference committee to substitute for the general Gramm-Rudman approach. Is the gentleman from North Dakota aware of an alternative?

Mr. DORGAN of North Dakota. I am not a conferee, and I am not aware of what alternatives might be available. I do know that there have been a lot of questions asked about Gramm-Rudman, and the answers are rather fuzzy, but I hope something comes to this floor that makes sense, that is workable, that gets at the business of moving in the direction toward solving the fiscal problem and doing it now.

Mr. BARTON of Texas. Well, I look forward to the support of the gentleman from North Dakota, and of many other gentlemen from his side of the aisle. It is obvious that the Republicans do not have the votes to pass it by ourselves. We have 182 Members; the gentleman's party has got 253. We need 218 to pass it.

□ 1730

So if the gentleman from North Dakota will work with us to get the requisite 218, I believe we can help the Nation and help current and future citizens of this country.

Mr. DORGAN of North Dakota. I do confess that when I use the phrase "bite the bullet," it is a habit I picked up from a debate in 1981 by Mr. GRAMM, who promised a great many things from the package offered then. So we want to know what is in the package and that is the reason we are going through the very difficult deliberations in the conference committee. I hope something comes of it that makes sense to this country.

Mr. BARTON of Texas. Good.

Mr. COBEY. Mr. Speaker, I yield now to the gentleman from New York [Mr. DIOGUARDI].

Mr. DIOGUARDI. I thank the gentleman for yielding.

Mr. Speaker, the gentleman talked about spending before. I do not think we should miss the opportunity to talk about waste in this country, because I think it usually boils down, when we talk about something like Gramm-Rudman-Mack, to programs that have to be cut, spending that has to be cut, and we forget about the fact that a lot of things that are being done structurally in Government are inefficient.

I just came out of a meeting of a task force in connection with the Grace caucus. It is a group that was put together of Democrats and Republicans, and we are trying to find out those recommendations of the Grace Commission that are easily implemented. Maybe it is not $424 billion, but when we look at it, it seems to me that we can make a commonsense argument for a good $50 billion or $100 billion.

I think it is important to look at the way we are spending our money and getting under the numbers. As a certified public accountant, and one of the few elected to Congress, I would like to talk a little bit about the numbers and to show how critical it is to have a plan to balance the budget.

Everyone knows that we are facing this year a $2 trillion debt ceiling. Everyone knows that is the accumulated deficit. But as far as I am concerned, as horrible as that may sound, that is the good news. That is what is on the books. We use a Mickey Mouse accounting system, called a cash basis, to measure what is happening in this country, and I believe that a lot of economic reality is not on the books of this country.

If we used the system that we impose on business through the SEC, so that you, as a shareholder, could buy their stock—if we used something anywhere near that, we would be talking about debt that was far in excess of $2 trillion. As a matter of fact, there is a prototype statement put out by the Comptroller General and the Secretary of the Treasury. They just put one out a couple of weeks ago. It is called, "The Consolidated Financial Statements of the United States of America," and the last statement is as of September 30, 1984. We are about 1 year behind in that. You would find that the debt section of our country is not $1.8 trillion or $2 trillion. When we put all the debt, as we would impose on business to measure, we are more like $4½ trillion.

So we are playing games with ourselves. We are passing on to the next generation a lot of obligations that are not only on the table, but a lot of obligations that are disguised.

Just take Social Security. People say to me, "Joe, we cannot have a situation where we cannot raise revenues. The only way to handle this deficit is to raise revenues."

I came to Congress recently. I am a new Congressman, and I campaigned on the fact that we should not raise revenues; that we should look at the waste in Government and bring spending under control in that way.

But when we look at the situation now, I am firmly convinced we should not raise revenues. Why? There is not structural discipline in this system to deal with revenues. If we bring in new revenues, there will be a line of Congressmen ready to spend that money on some new program.

Look at Social Security as a typical example. It was meant to be and is called a trust fund. It has a separate payroll tax to fund it. It has a separate set of books. Yet, someone found, in the 1960's, a convenient way to meld the Social Security surplus with the deficit under something called the Unified Budget Act. I believe it was President Johnson. So everyone talks today about the $100 billion we have in the Social Security fund, and I say, "Where is it?" We ended up with a $230 billion deficit, and you know that we scraped and scrounged to reduce that by $50 billion.

Did you know that we had already offset the deficit by the $100 billion of Social Security? So theoretically we would have had a $330 billion deficit without this gimmick of melding the Social Security surplus, which is in a separate trust fund, with the deficit.

What does that mean to our kids? You do not have to be an actuary to figure out that by the year 2000, more people are going to be taking out of the Social Security System than putting in, with the graying of America. That is not the case right now. More people are putting in than taking out.

But what that means is that in the year 2000, our children and grandchildren will have to find that $100 billion, and every dollar that we take from that system between now and the year 2000, plus raise the money for Government as well.

So I think it is time that we got our act together, and I think it is time that we looked at a plan. I think we need Gramm-Rudman-Mack for that very reason. It may not be perfect, and hopefully the conferees will work out the amendments that are needed to make it right, but the public is starving for a plan to balance the books of this country.

Why are interest rates now close to 10 percent, the prime rate 9½ percent? The bankers will tell you that the real interest rate is only 2 percent above the inflation rate. Inflation is below 4 percent. Why are interest rates not at 6 percent? Because the public is cynical. The public does not believe the Government is going to get its act together. They are already hedging against renewed inflation. They are hedging against higher interest rates, and that is why we have interest rates at 9½ percent.

If we could give them a plan, if we could send them a signal that we had a plan to balance the books of this country to get rid of that deficit in 5 years, maybe even 10 years, I think we would restore credibility to the system, credi-

bility to this body, and see interest rates drop before our very eyes.

Think about it. We have to borrow this year $150 billion just to pay the interest on the debt. We do not have the money to pay the interest. We have to go out and borrow that. That means next year we are going to have an additional $150 billion of bonds that we have to pay interest on. We are now paying an average rate of, what, somewhere around 9 or 10 percent? If we could drop the interest rate by 3 percent, that is one-third. That means we will save $50 billion next year just on the interest if we could send a signal that we mean to get our act together. That is $50 billion. Now we are on a roll. This thing could become a self-fulfilling prophecy and we might see the books balanced even sooner.

I would just like to read a couple of excerpts from an op-ed piece that was in the New York Times. I am one of the authors of this, along with Congressmen CHENEY, MACK, MICHEL, and LOTT.

People say, "Hey, Gramm-Rudman is not going to work. It is too complex. It gives too much power to the President. We need more time to study it." I say that we are running out of time and we have to get right to it. I would like to read from this editorial, if you would, just a few points on why I think it is important.

If, in the private sector, a manager knows his or her budget will be cut, necessity will force that manager to implement management changes that reduce cost, increase efficiency, and promote productivity.

So what we are saying is that if we had a system to balance the books over 5 years, we would send a signal to the managers here in Government that they had to start thinking ahead, they had to start thinking strategically, more than 1 year. We have a tendency to focus in on 1 year at a time here. That is a very inefficient way to do it.

The legislation at issue would finally induce bureaucracies to do what businesses do every day: evaluate efficiency, or the lack of it, and make the adjustments necessary to get the job done within specific budget parameters.

Peter Drucker, the private-sector management consultant, consistently states that in the context of management, "less is more," meaning that fewer levels of bureaucracy increase efficiency. No one can argue that over the years, bureaucracies—like layers of sediment—have grown, with little apparent benefit to what should be the bottom-line concern: accountability to the taxpayer.

I do not think we have that here.

The Balanced Budget and Emergency Deficit Control Act will force a healthy reevaluation of priorities in public sector programs and in the administration of these programs. There is nothing wrong with sending a signal to the public sector, be it the Pentagon or the Department of Health and Human Services, that the time has come to clean house.

Mr. Speaker, I include the full text of this editorial for the RECORD.

The full editorial is as follows:

[From the New York Times, Oct. 15, 1985]

HOW TO BALANCE THE U.S. BUDGET BY 1991

To the Editor:

Your lead editorial of Oct. 4, "The Balanced Baloney Act," is replete with arguments why the Balanced Budget and Emergency Deficit Control Act of 1985 cannot be seriously considered as a vehicle for deficit reduction. In fact, this legislation is precisely the logical way to attack the deficit, and there is no question that it offers us the opportunity to send a message to the American people and to the financial markets that Congress means business.

You say that "aiming at zero [as a deficit target] is arbitrary, perhaps dangerously so." Baloney. Goals are by definition arbitrary. If you fail to articulate a goal, the means to achieve the objective are less clear. The argument in favor of a balanced-budget program like the Gramm-Rudman-Hollings legislation is that it places an institutional bias on savings, efficiency and productivity in Government.

If in the private sector a manager knows his or her budget will be cut, necessity will force that manager to implement management changes that reduce cost, increase efficiency and promote productivity. The legislation at issue would finally induce bureaucracies to do what businesses do every day: evaluate efficiency, or the lack of it, and make the adjustments necessary to get the job done within specific budget parameters.

Peter Drucker, the private-sector management consultant, consistently states that in the context of management "less is more," meaning that fewer levels of bureaucracy increase efficiency. No one can argue that over the years bureaucracies—like layers of sediment—have grown, with little apparent benefit to what should be the bottom-line concern: accountability to the taxpayer.

The Balanced Budget and Emergency Deficit Control Act will force a healthy re-evaluation of priorities in public-sector programs and in the administration of these programs. There is nothing wrong with sending a signal to the public sector, be it the Pentagon or the Department of Health and Human Services, that the time has come to clean house.

You also state that "forcing its achievement could, depending on economic conditions, start a recession or stifle a healthy recovery." This logic is completely backward. If we do not force its achievement, then we may risk a recession or stifle a healthy recovery. In the real world beyond the editorial offices of The Times, it is clear that our high real interest rates and high dollar are the result of excessively high deficits and an inability to control Federal spending.

The Gramm-Rudman-Hollings bill in the Senate and the Mack-Cheney companion bill in the House are a clear signal to the American people and the world financial markets that there is indeed a workable blueprint for achieving a balanced-budget by fiscal year 1991.

Opponents of the legislation say more time is needed to study the deficit. We believe we have had enough time to study the issue. What we need now is action, not more debate and foot-dragging. The time to act is now!

CONNIE MACK,
ROBERT MICHEL,
RICHARD CHENEY,
TRENT LOTT,

JOSEPH J. DIOGUARDI,
WASHINGTON, *October 7, 1985.*

So in conclusion, Mr. Speaker, I would like to say that I am strongly in favor of Gramm-Rudman-Mack. Hopefully, it will be refined so that we can get some of the kinks out of it that we have heard about, but we need a plan to balance the budget. We owe it to our kids. We cannot keep passing on this deplorable legacy of debt. We have to get rid of this credit-card mentality in this country where we keep raising the limit and passing it on to the future generations.

Mr. COBEY. I thank the gentleman from New York for his valuable comments.

Mr. Speaker, just to wrap up this special order time, I appeal, I beg, I implore my colleagues to back Gramm-Rudman-Mack and let us get some control into the system. Let us give the American people some hope and let us balance this budget in short order.

## RECALL THE VERTICAL RESTRAINTS GUIDELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 10 minutes.

**Mr. FISH. Mr. Speaker, yesterday I introduced House Resolution 303, a revised version of House Resolution 278, expressing the sense of the House that the "Vertical Restraints Guidelines" published by the Department of Justice on January 23, 1985, do not have the force of law, do not accurately state current antitrust law, and should not be considered by the courts of the United States as binding or persuasive. I did so with broad cosponsorship, both within and outside the Judiciary Committee.**

**By way of background, the "Vertical Restraints Guidelines" were issued without benefit of broad public participation in their formulation. As a statement of Government enforcement policy, they are analogous to regulations and have a major impact on decisions made in the private business sector with regard to price-related vertical restraints of trade. They are the practical equivalent of the Justice Department's filing an amicus brief in every court in the land.**

**The "Vertical Restraints Guidelines" are demonstrably in error, however, in their representation of Federal antitrust law and of congressional intent with regard to its application to resale price maintenance and other price-related restraints of trade. The most egregious example of this is the invitation to a supplier to evade the rule of per se illegality first applied by the Supreme Court in *Dr. Miles Medical Co.* v. *John D. Park & Sons Co.* (220 U.S. 373) (1911). The Supreme Court has since reaffirmed this holding whenever it has confronted the issue of vertical price restraints. Congress has done no less in passing the Consumer Goods Pricing Act of 1975, which ended the**

antitrust exemption for State fair trade laws and so established a uniform national policy of per se illegality for resale price maintenance.

Despite this, the Vertical Guidelines provide in section 2.3:

If a supplier adopts a bona fide distribution program embodying both nonprice and price restrictions, the Department will analyze the entire program under the rule of reason if the nonprice restraints are plausibly designed to create efficiencies and if the price restraint is merely ancillary to the nonprice restraints.

In short, all one has to do is add enough "plausible" nonprice restrictions to a vertical price-fixing scheme to make the latter "merely ancillary" and the entire distribution program will be analyzed by the Department under its efficiency-weighted rule of reason. This is not what current antitrust law provides or intends.

I am very pleased that the resolution proper of House Resolution 278—that is, without the preamble—has been incorporated into the fiscal year 1986 appropriations bill for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies, H.R. 2965, by an amendment to section 605 adopted in the Appropriations Committee in the other body. I fully support such action. It is highly important, however, to proceed with the resolution I introduced yesterday in order to allow the House to go on record with reference to the departure of the Vertical Guidelines from existing antitrust law, as set forth in detail in the preamble, and to drive home to the Department of Justice the seriousness with which this body regards any attempt to divert enforcement of our antitrust laws.

House Resolution 303, the revised resolution which I introduced yesterday, differs in two respects from House Resolution 278. It is even more explicit in detailing the ways in which the guidelines are inconsistent with existing law, drawing for that purpose from a lengthy analysis of the resale price maintenance issue and the Vertical Guidelines which appears in the House Judiciary Committee report on the fiscal year 1986 Department of Justice authorization bill, H.R. 2348 (H. Rept. 99-113). Second, it eliminates references to the need for procedural fairness and public participation in the preparation of such guidelines, because that is a separate issue which perhaps should be disentangled from the question of the legitimacy of these particular guidelines. The fairness issue is squarely addressed, however, in a bill which I introduced last March, H.R. 1467, to require the antitrust enforcement agencies to meet procedural due process requirements, including notice and an opportunity for public comment, before enforcement guidelines are issued in final form. Businesses and other affected parties should be given an opportunity to comment on agency guidelines that ultimately govern their commercial conduct and affect their very livelihoods before such guidelines go into effect. The Antitrust Procedural Fairness Act is extremely important legislation which is attracting the interest and support of a number of Members of the antitrust bar.

Mr. Speaker, I am particularly gratified that Chairman RODINO of the Judiciary Committee has joined in this resolution and is providing his enthusiastic support. I anticipate that this measure will move swiftly through committee and to the floor, and I hope that when the House has an opportunity to consider it that it will receive the strong endorsement which it most clearly deserves.

The text of House Resolution 303 follows:

H. RES. 303

Whereas on January 23, 1985, the Department of Justice published a document entitled "Vertical Restraints Guidelines", for the stated purpose of explaining Federal policy for enforcing the Sherman Act and the Clayton Act with respect to nonprice vertical restraints of trade;

Whereas such policy guidelines extend beyond the matter of nonprice vertical restraints of trade and propose the avoidance of the per se rule of illegality applied by the Supreme Court in 1911 in *Dr. Miles Medical Co.* v. *John D. Park and Sons Co.*, 220 U.S. 373, to price-related restraints of trade and subsequently applied by the Supreme Court and endorsed by the Congress on many occasions;

Whereas such policy guidelines are inconsistent with established antitrust law, as reflected in Supreme Court decisions and statements of congressional intent, in maintaining that such policy guidelines do not treat vertical price fixing when, in fact, some provisions of such policy guidelines suggest that certain price fixing conspiracies are legal if such conspiracies are "limited" to restricting intrabrand competition; by blurring the distinction between price and nonprice restraints in analyzing a distribution program containing both types of restraints, thereby qualifying the accepted rule that vertical price fixing in any context is illegal per se; in stating that vertical restraints that have an impact upon prices are subject to the per se rule of illegality only if there is an "explicit agreement as to the specific prices"; in stating that restraints imposed by a manufacturer at the request of dealers are vertical in nature and therefore not subject to the per se rule of illegality; in aggregating the factors of collusion and foreclosure, thereby failing to distinguish adequately between the separate antitrust concerns associated with vertical territorial restraints and with exclusive dealing practices; in stating that less than absolute territorial restraints are "always legal"; and in arbitrarily specifying a 30 percent minimum market share in the typing product for assessing the legality of tying arrangements;

Whereas such policy guidelines state that the Department of Justice may refuse to attribute to corporations the illegal conduct of their low-level employees acting within the scope of the authority conferred upon such employees by such corporations, contrary to the common law of corporate responsibility and agency in the antitrust context;

Whereas the general business community would be at risk if it accepted and relied upon such policy guidelines as an accurate statement of existing Federal antitrust laws in the area of vertical restraints of trade;

Whereas such policy guidelines relate to an area in which the Department of Justice has brought no enforcement actions in more than 4 years and may have been published, in part, as an attempt to influence the courts of the United States to pursue a very narrow and limited vertical restraint analysis in deciding private enforcement antitrust cases;

Whereas previous antitrust enforcement policy guidelines issued by the Department of Justice have been substantially based on existing jurisprudence and congressional intent, and therefore have been given considerable weight by the courts of the United States in evaluating the facts in antitrust litigation; and

Whereas the "Vertical Restraints Guidelines" may affect the development of antitrust law to the detriment of competitive pricing of branded goods and services by direct or mail order retailers: Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that the antitrust enforcement policy guidelines stated in "Vertical Restraints Guidelines", published by the Department of Justice on January 23, 1985—

(1) are not an accurate expression of the Federal antitrust laws or of congressional intent with regard to the application of such laws to resale maintenance and other vertical restraints of trade;

(2) shall not be accorded any force of law or be treated by the courts of the United States as binding or persuasive; and

(3) should be recalled by the Attorney General.

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□ 1740

## BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, [Mr. DANNEMEYER] is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, during the course of the last hour and one-half, we have heard various Members talk about the problems of balancing the budget. During the course of this special order, I would like to talk a little bit about the necessary policy option that the Congress should pursue in order to achieve that objective.

We should reflect on the fact that within the past 2 weeks, the Congress has adopted a budget reconciliation package that will reduce spending in fiscal year 1986 by some $20 billion, $60 billion over 3 years. Our announced goal earlier this year was to reduce the projected deficit by $50 billion. Unfortunately, the $50 billion was not achieved and we achieved a reduction of only $20 billion.

But we should also note that we will borrow in this fiscal year, 1986, almost $200 billion, and the added interest expense, which becomes then the base for future years, will be about $20 billion, $16 billion to $20 billion. So it is almost a push in the sense of the impact on the projected deficit.

We strain to find areas where we could cut $20 billion. Most of that will come in reduction of projected increases in the defense budget. And on the other hand, as I have just indicat-

ed, we will add to the interest expense roughly $16 billion to $20 billion as a result of the money we will borrow.

So what is the answer in terms of reaching our goal of balancing the budget? I think it is high time that we talk about the third highest item on the budget: interest on the national debt, projected in this year to be some $142 billion. Our challenge is to find a means of squeezing the inflation premium out of that lending rate that everyone in America has to pay.

The Federal Government is paying at least 5 points more than it should be paying on almost $2 trillion, or about $100 billion a year, in excessive interest payments as a result of this Nation's currency not being backed by anything. Since August 1971 this Nation has been engaged in an unfortunate experiment with paper money, and I think it is high time that the political leadership of our country talk about restoring this historic relationship between the dollar and gold.

I would like to cite some factors that are on the horizon that all of us must consider as reasons why we should be talking about squeezing the inflation premium out of the interest payment that the U.S. Government must pay. Today, 15 to 20 percent of the farmers in this country are in default. Third World nations around the world, particularly south of our border, in Mexico, Argentina, and Brazil, they are unable to pay the interest on the debt, let alone the principal. These countries are involved in additional loans at this time.

When a banker is in the process of lending more interest money to a borrower so that the borrower can pay interest, you can be assured that that borrower is in deep trouble. But the size of these debts by these Third World countries is so large that if they become nonperforming, those debts are then offset against the earnings of the bank. And if that is not enough to offset, then they are offset against the equity in the bank. And if that is not enough, they are going to come down to us in Congress and ask us to bail them out, and then we will be faced with placing such an explosive quantity of new money into the banking system to bail out those banks that we will ignite the fires of inflation in this country once again.

This Nation has a $160 billion negative trade balance with the rest of the world. And what is ever more tragic to the younger people in our country today is about 70 percent of our young people are priced out of the ability to own their own home. In 1968, it was just the opposite, 70 percent of our people could participate in the American dream and buy their own home. But anybody buying a home today has to pay about a 5-percent premium in the lending rate. That 5 percent you can calculate on a $100,000 mortgage is costing you about $400 a month. It is a tragedy what all of this deficit financing, high interest rates have brought to the American people.

□ 1755

So I have a series of questions here that I would like to ask the Members because I think they are appropriate and focus attention on this issue. I want to acknowledge that the source of these questions was Antal E. Fekete, who was a professor at the University of Newfoundland, an economist by profession, and I think the questions and answers that he has formulated place this matter in good perspective. There are 25 of them.

*1. First things first: What should the first item be on the national agenda, inflation, unemployment, tax reform, or constitutional amendment to bar budget deficits?* The first item on the agenda should be the prevention of a prolonged deflation similar to the one in the 1930's, which would ruin much of the economy of the United States. Every inflation in history, which did not wipe out the value of currency, was followed by a deflation that restored the rate of interest to its natural level, so that labor and capital could, once again, compete with the yield of government bonds. The only way to prevent a protracted deflation in this country, the only way to bring down the rate of interest to its natural level at once, is resumption.

*2. What is resumption?* Resumption is the return by the government to gold redeemability of the currency at a rate of exchange fixed by statute. In the United States, constitutionally, the responsibility for resumption rests on the shoulders of Congress.

*3. Why resumption?* Historically, every experiment with irredeemable paper money has been followed by resumption in less than 25 years, often much sooner, sometimes after a bloody revolution and economic ruin, or total loss of the value of currency. Economic science has not yet discovered the secret of making something out of nothing, nor is it likely to make this discovery in the future. The proposition that irredeemable currency is a permanent condition in human affairs is tantamount to saying that the government can make something out of nothing. The sooner we disabuse ourselves, the better. In the world of reality even the government has to make ends meet, and worry about the deterioration of its credit. From this vantage point resumption appears inevitable. The only question is whether Congress can muster up the political will to put the issue on its agenda before the economy of the country is further destabilized by the irredeemable dollar.

*4. What are the signs that the credit of the United States has deteriorated?* There are two criteria whereby the credit-worthiness of a debtor with a record of past borrowing can be assessed: 1. the rate of interest at which lenders are willing to extend new credits, 2. the duration for which the new loans are granted. The credit of the United States has greatly deteriorated since the halcyon days of 40 year bonds yielding 2¼%, eagerly snapped up by safety-conscious investors. Every time the maturing debt is rolled over, the maturity shrinks and the Treasury is forced to promise a higher return. Since the credit of business cannot be better than the credit of the government, credit conditions have generally deteriorated in this country.

*5. Can government bonds bankrupt business?* Yes, they can. It is one thing for the Treasury to print bonds to which coupons with double digit rates are attached. Another thing is for business to produce a return on invested capital at a rate better than the double digit printed on government bonds. Business producing a net return at a single digit rate is rendered submarginal outright. Nobody in his right mind would take the risk of investing in capital to produce a return at single digit rates, if he can get a return from a risk-free government bond at a double digit rate. Nor is this a question of government borrowing "crowding out" business borrowing. It is a matter of handing down a death sentence for business unable to produce a return to capital at double digit rates.

*6. Can government bonds create unemployment?* Most certainly they can. Wage earners are not equally productive. The jobs of those individuals at the lower end of the productivity spectrum are placed into jeopardy by the high yield of government bonds. The employer of workers will keep a man on the job only if the man can produce a net return on invested capital at a rate in excess of the yield on the government bond. Whether we like it or not, all wage earners are forced to compete with the "productivity" of government bonds, measured by the yield. If the wage earner fails to meet this test, his employer would be better off if he laid off the worker, sold out his capital equipment, and put the proceeds into high-yield government securities. The fact that the employer often finds it impossible to sell out is no consolation. In that case, he will let the capital goods complete their amortization cycle and then scrap them. For the wage earner this is but a stay of execution, not the end of the agony. The unemployment caused by the high yield government bonds is concealed by a time lag of variable duration, depending on the life of capital goods. Ultimately, unemployment is a certainty.

*7. What is meant by the natural level of the rate of interest?* As we have seen, the rate of interest is equal to the rate of marginal productivity of labor and capital in the country. Labor and capital, which can only produce a return at a rate below the rate of interest, cannot find employment. Therefore, if monetary policy allows the rate of interest to rise dramatically and drastically, as it has in this country, then large segments of the labor force, and large parts of the capital park are rendered submarginal. This insight shows that the rate of interest is at its natural level when it allows all those who are eager to earn wages to find employment, and when it allows the capital goods already in existence to stay in production, for the rest of their useful lives. In other words, the natural rate of interest is the rate which allows labor and capital to compete against the "productivity" of government bonds.

*8. What causes the rate of interest to rise drastically?* A drastic rise in the rate of interest could be caused by economic factors, e.g., during the reconstruction period in the wake of a natural disaster or war destruction. The rationale is that it is in everybody's interest to get over the reconstruction period and return to normalcy as quickly as possible. In order to accomplish this, the limited resources must be used optimally, in combination with the most productive segment of the labor force, and with the

most efficient part of the surviving capital park. Under these conditions the jump in the marginal productivity of capital and labor is justified. Once the reconstruction is well under way, usually within a year or so, the rate of interest can speedily return to its natural level, allowing the less productive segment of the labor force, and the less efficient part of the capital park, to find employment once more.

The drastic rise in the rate of interest in the United States in recent years has no such economic justification. It was politically motivated by the managers of irredeemable currency, and their academic mentors. It was engineered as a stopgap, to save the irredeemable dollar from immediate ruin, at the expense of labor and business, at the expense of the producers of real wealth in this country.

*9. Is it possible to bring down the rate of interest to its natural level slowly?*

If the rate of interest was to decline from double digits to its natural level, say, to 2 percent, over a period of several years, then this would mean an unprecedented boom in the bond market, and an unmitigated disaster for the producers of real wealth. Bond speculators would pocket a 400 to 500 percent capital gain. But these gains would be make by ruining a large number of businesses and putting much of the labor force out of work. This would be the biggest deflation in the history of this country. By comparison, bond speculators in the 1930's reaped only a 100 percent capital gain, as the yield on long term government bonds declined from 4 percent to 2 percent, which was sufficient to idle much of the country's productive resources. The long road to low interest rates is strewn with dangerous pitfalls.

*10. Is it possible to bring down the rate of interest to its natural level at once?*

Yes, it is possible, and this is exactly what should be done. If the Congress issued Eagle Bonds (so named as principal and interest would be guaranteed and payable in Eagle gold coins), then these bonds would command a high and stable value, which translates into low and stable rate of interest, approximating the natural rate. Thus labor and capital could once more compete with the "productivity" of government bonds. This reform could be carried out, literally, overnight. Confidence in the economy would return at once, as the threat of high yield government bonds was removed. Resumption could follow the successful floating of the Eagle Bonds.

*11. What are the important historical precedents of resumption?*

The three most significant precedents are: 1821, by Great Britain, after the inflation of the Napoleonic Wars; 1879, by the United States, after the inflation due to the Civil War; 1925, by Great Britain, after the inflation due to World War I. The judgment of economic historians on these resumptions is not favorable. They considered that the resumptions were failures, to be blamed for the accompanying deflation. They did not analyze the policy mistakes made in carrying out the plan for resumption.

*12. What was the major policy mistake made in connection with the historic resumptions?*

The mistake was not the decision to resume, but the failure to prepare the ground for resumption by restoring the rate of interest to its natural level prior to resumption. In consequence the deflation, already in progress, had so much further to go after resumption. Economic revival was therefore not instantaneous, but came only after more economic distress. This gave the gold standard a bad name suggesting that it was synonymous with deflation and unemployment.

*13. What is deflation?*

Deflation is the necessary correction that follows every inflationary adventure. The rate of interest has to be brought down to its natural level. Deflation is commonly identified with declining prices, causing widespread business failures and unemployment. This is wrong. It is not declining prices, but the combination of declining prices and declining interest rates—especially if the decline is protracted—which is causing bankruptcies and unemployment. The mirror image of declining interest rates is a booming bond market, syphoning off the lifeblood of the economy, rewarding the bond speculator, taking his reward out of the hide of labor and productive people. In summary: inflation=booming commodity market+collapsing bond market; deflation=booming bond market+collapsing commodity market.

*14. Is deflation a natural disaster, beyond human control?*

It is not. Deflation is engendered by human folly and could be prevented by shunning the temptation of inflation. After inflation has taken place, deflation is inevitable but intelligent monetary and fiscal policy would make it a very brief episode, a shock therapy to be sure, but one that cannot do lasting harm. A quick deflation, bringing down the rate of interest to its natural level is, in fact, salutary. It puts the country back to work right away. Only protracted deflation is ruinous.

*15. Was the gold standard responsible for previous deflations?*

No; the gold standard was used as the scapegoat and convenient whipping boy, but the real cause for protracted deflation was inept monetary and fiscal policy, the wrong way of financing relief, and the counter-productive policy of pump-priming through government spending. Public relief and public works were financed through the sale of government bonds. This was counter-productive as the new issues of government bonds made the decline in the rate of interest—which in the absence of these issues would have been very quick—a much more prolonged affair. Pump-priming through public works financed by the sale of government bonds turned a 24-hour flu into a chronic disease lasting for a decade. The gold standard had no part in it. The same thing may be happening today, under the regime of irredeemable currency.

*16. If irredeemable currency is bad without redeeming features, why don't our politicians tell it as it is?*

For the most part, it is ignorance. Currency, credit, and circulation are complex matters, and charlatanism is rampant. The majority of well-meaning politicians has fallen victim to quackery peddled at our universities as monetary science, to the exclusion of sound theory. But there is a minority of politicians who knowingly and willingly support the regime of irredeemable currency, in spite of the great harm it does to the dynamic producers in the country. These politicians realize that this regime alone makes the usurpation of powers—reserved by the Constitution to the people, vote-buying, simony, corruption, etc., possible. They have vested interest in perpetuating such a system.

As Stephen Leacock, the Canadian humorist and economist said in 1932: "What does the regulation of the money supply mean? If it means anything at all, it must mean that there will be three men in a room somewhere, who will expand the money supply and then contract it, and boost prices up and down. If that time ever comes, I want to be one of the three, or at least a warm personal friend of all three." Leacock had no illusions; he told it as it was: "the three-men-in-a-room stuff will do for Soviet Russia; it will not do for us. You cannot have a system of social control dependent upon the will of three men in a room. You cannot have prices which are moved up by a group in control. You cannot have wages which can be shifted down in their purchasing power by the monetary caste. The three men, when they move prices up and the purchasing power of wages down, would follow, or would be tempted to follow, all sorts of self-seeking ends. You cannot run society like that. The monetary standard must be based on things, and not on the opinion of men. If you try to have one based on the interest of pressure groups, you have started the biggest human exploitation you can possibly imagine."

*17. What are the steps involved in resumption?*

The first step is for Congress to provide for the coinage of gold into Eagle coins, as per the Gold Standard Act of 1900, for private as well as for government account. This will put gold back to work, gold which now lies unused and unemployed at the bottom of public and private vaults. The second step is D-day, when the Treasury starts marketing the new Eagle Bonds with 40 year maturity, to yield 2¼ percent. D stands for "declaration": the Treasury declares its intention to replace the short term government debt financed at high interest rates by long term debt financed at low interest rates. The third step is R-day. R stands for "resumption". On that day Congress will fix the rate of exchange between the paper dollar and the Eagle currency.

*18. The exchange of the 12 percent paper dollar bonds for 2¼ percent Eagle Bonds would be a repudiation of the public debt, would it not?*

No. Replacing an irredeemable promise by a redeemable one is no repudiation. It is the exact opposite of repudiation. The promise of 12 percent yield on the paper dollar bond is not a credible promise, nor is it an honest one. The government cannot make good on that promise except by paying back depreciated dollars to the bondholders, or by breaking the back of the productive elements in this country.

*19. Why would people prefer the 2¼ percent Eagle Bonds to the 12 percent paper dollar bonds?*

The bondholder would act in his own best interest. The Eagle Bonds are better than gold (in that they are an equivalent of gold, paying interest in gold), let alone paper bonds. The paper dollar bond is paper, promising to pay nothing more substantial than another piece of paper. The bondholders know, if anybody does, that gold is gold, and paper is paper. Since the Treasury is under no legal obligation to exchange paper bonds for gold bonds, it is reasonable to assume that the bondholders will grab the Eagle Bonds and run, before the Treasury changes its mind, which it might well do. The bondholder clinging to his paper bond would run the risk that the Treasury might recall the paper bonds on R-day. True, the bondholder could sue the Treasury for breach of contract, but his chances of winning are none too good, and this is putting it mildly. Resumption is not merely a change

of the standard of value. It is a reform involving the whole superstructure of debts and deferred payments. It is unreasonable to expect that arrangements made for deferred payments under a depreciating currency standard are legally enforceable under the gold standard with stable currency value. Whoever has heard of a gold bond promising to pay 12 percent interest?

*20. Would slack demand for the 2¼ percent Eagle Bonds put resumption into jeopardy?*

No. Slack demand would mean that the Treasury would have to go into the open market and bid for cash gold, in order to be able to meet its maturing short term debt after R-day. This would tend to raise the market price of gold, suggesting that the exchange rate between paper dollars and gold, to be fixed by Congress on R-day, would be higher than anticipated. This would make the Eagle Bonds more attractive. Gold should start moving to the coffers of the Treasury as soon as the speculators were convinced that the Treasury meant business.

*21. But a high official gold price would be inflationary, would it not?* No. Inflation is a combination of rising prices and rising interest rates. Prices cannot rise as long as interest rates are stable. If inflation followed resumption, then not the high official gold price, but inept fiscal and monetary policy is to be blamed, for allowing the interest rate to rise again. In the absence of such a rise, it is naive in the extreme to assume that holders of gold would take profit and go on a spending spree, bidding up commodity prices. The theoretical and historical evidence shows that prices and interest rates would be far more stable under the new gold standard, than they have been under the regime of the irredeemable dollar.

*22. Would foreign governments follow the monetary leadership of the United States and resume?* They would have everything to gain, and nothing to lose, if they did. They would enormously strengthen public credit, would stabilize their domestic money and credit markets, and would open up new vistas for their export industry and trade. Only weak and authoritarian governments, apprehensive of the good will of their own citizens and creditors, would keep their markets in straitjacket by hanging on to their depreciating currencies. In doing so they would act against the interest of their people who, as a consequence, could not partake the triumph of economic revival in the most civilized parts of the world.

*23. Is there enough gold to support an international gold standard?* The answer is an unqualified "yes". Contrary to folklore, gold is not scarce. Gold is the most abundant commodity known to and produced by man, as measured by the ratio of stocks to flows. It is precisely this fact which makes gold far more eligible than any other commodity to serve as standard of value. The abundance of gold is due to its constant marginal utility. In this respect gold is unique: while other goods decline in value when the existence of large and growing hoards is revealed, gold is impervious to hoarding. What makes gold scarce is the abuse of credit, sending gold into hiding or to places where credit is not abused.

*24. What would happen if the U.S.S.R. or South Africa tried to sabotage the international gold standard by gold dumping?* They are welcome to try.

It costs real resources to produce gold, even in the U.S.S.R. Gold is a form of wealth. These governments would give up this wealth only in exchange for another form of wealth more desirable or more useful to them. At any rate, the abundance of gold flowing to these shores would be a good sign, a welcome sign. It would further reinforce the credit markets, boost trade, production, and capital accumulation in this country. The wealth of the country would grow. The specter of unfriendly governments dumping gold in order to embarrass the United States is a red herring.

*25. What should be done to ensure that the humiliation of August 15, 1971 (the day President Nixon repudiated the obligation to pay gold at the rate of $35 per oz. to foreign creditors) is never repeated after resumption?* The gold standard should not be abused and compromised as it was by the Roosevelt Administration in 1933, by devaluing the dollar for no good reason and to no good purpose. The Federal Reserve Act of 1913 should be enforced. In particular, government bonds are not eligible as assets held against the note and deposit liabilities of the Federal Reserve banks—only gold and real bills are. Congress should not abridge the citizen's right to convert his gold into gold coin of the realm at the Mint, nor his right to hoard, to melt, or to export the gold coin of the realm in his possession. Congress should not pass legal tender laws. Fiscal policy should serve one aim, and one aim only: to maintain the credit of the government at the highest possible level. The purpose of taxation is to raise revenue to cover essential public expenditure, and not social engineering or economic fine-tuning. Borrowing should be undertaken by the government only if it is clearly seen that the debt can eventually be repaid. The government debt should be financed only through long term bonds. The issue of Treasury bills should be severely limited in time and in amount as well. A sinking fund should be set up to protect the value of government bonds. If the rate of interest increased as a result of natural disaster or war destruction, then the government debt should be refinanced at the higher rate. Profligate and frivolous government spending must be exposed as waste at best, and as vote-buying at worst. Monetary policy has one aim, and one aim only: to keep the rate of interest stable at its natural level, such that labor and capital can compete successfully with the "productivity" of government bonds. The idea that the purpose of monetary policy is the manipulation of the money supply must be abandoned. Inflation, and hence, deflation, can be averted if the country is firmly on the gold standard and does not allow monetary policy to be used for political purposes. Every inflation in the past, whether in wartime or in peacetime, was the direct result of a monetary policy allowing interest rates to join prices in an upward spiral, in order to accommodate political objectives. The humiliation of August 15, 1971 was a consequence.

□ 1805

To the citizens of this country, the restoration of the honest money, money backed by gold, has a profound significance. It means that if you want to buy a home, you can do it at a rate of interest that would be about 6 or 7 percent rather than the 12 percent or 13 percent you are asked to pay today. If you are a college student wanting to borrow money to get an education and your bank wants you to pay 10 percent or 11 percent when you finish your college education, take about 5 points off of that interest rate, and that is what it would save you in terms of restoring gold-backed currency in America.

If you are a businessman struggling to pay 15 percent interest rate payments on a business loan, take 5 points off of that, and you will find out what the impact would be on your ability to build a business, to start a business or expand a business. Those of us involved in the Government of the United States, it would mean that the U.S. Government could once again sell its debt for 3 percent or less, as it did prior to 1971 when this Nation was taken off the gold standard.

When Mr. Nixon made that decision in August 1971, he told the American people that it was merely temporary. I would suggest that most people's definition of "temporary" would be served by the expiration of 14 years.

In light of this, I will in the next few days be introducing a bill declaring a resumption of the gold standard here in this country. It would provide that on October 1, 1986, the U.S. Government shall call in all debt instruments and in place thereof issue legal bonds at 2½ percent interest denominated and guaranteed in Eagle currency.

It would also provide on October 1, 1987, U.S. currency shall be redeemable in gold at a value to be determined by market prices.

An action of this type would drive out the inflation premium in the lending rate, it would permit the U.S. Government to reduce its annual interest expense by roughly $100 billion a year; and the resultant expansion in the credit-sensitive businesses of the country, such as automobiles, housing, plus all those other businesses that depend upon credit to stay alive, there would be a surge of investment and job creation in America that would be the envy of the whole world.

Not only this, it would help our neighbors to the South who currently are in debt over their heads, to have an interest rate whereby they can develop their economy, that would expand job opportunities in their society, reduce the pressures for revolution that currently exist in countries like Mexico.

Indeed, it would lay the foundation for not only a balanced budget but economic growth and prosperity for the people of our country.

Mr. Speaker, I yield back the balance of my time.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SCHAEFER) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 60 minutes, today.

Mr. SLAUGHTER, for 20 minutes, October 31.

Mr. PARRIS, for 60 minutes, November 4, 5, and 6.

(The following Members (at the request of Mr. LUNDINE) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. TORRES, for 5 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROWLAND of Georgia, on H.R. 3629, in the Committee of the Whole, today.

Mr. LOWRY of Washington, on section 2, title II of H.R. 3629, in the Committee of the Whole, today.

Mr. STUDDS, following statement of Mr. CONTE in support of his amendment on H.R. 3629 in the Committee of the Whole, today.

(The following Members (at the request of Mr. SCHAEFER) and to include extraneous matter:)

Mr. COURTER.

Mr. PORTER.

Mr. KEMP.

Mr. CLINGER in three instances.

Mr. TAUKE.

Mr. MYERS of Indiana.

Mr. SWINDALL.

Mr. RITTER.

Mr. WORTLEY.

Mr. FISH.

Mr. COBLE.

Mr. GINGRICH.

Mr. O'BRIEN in two instances.

Mr. MCCOLLUM.

Mr. FRANKLIN.

Mr. CAMPBELL.

Mr. CONTE.

(The following Members (at the request of Mr. LUNDINE) and to include extraneous matter:)

Mr. RANGEL.

Mr. ROE in two instances.

Mr. GARCIA in three instances.

Mr. MILLER of California.

Mr. EDGAR.

Mr. MARTINEZ.

Mr. COELHO.

Mr. WAXMAN.

Mr. STOKES.

Mr. HOYER.

Mr. KOSTMAYER in two instances.

Mr. UDALL.

Mr. AUCOIN.

## SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 1160. An act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1986, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize appropriations for fiscal year 1986 for national security programs of the Department of Energy, and for other purposes, and

S.J. Res. 227. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

## BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On October 30:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985;

H.R. 2409. An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes;

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week"; and

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month."

## ADJOURNMENT

Mr. DANNEMEYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, October 31, 1985, at 10 a.m.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2963. A bill to authorize and direct the Secretary of Agriculture to engage in a 10-year research program to monitor, evaluate and identify the causes and effects of atmospheric pollution on the growth, health and productivity of forest ecosystems, on forest reserves created from the public domain, on forest areas acquired under authority of the act of March 1, 1911, as amended (16 U.S.C. 515), and on other public and private forest lands, and for other purposes; with an amendment (Rept. 99-344, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1593. A bill to direct the Secretary of the Interior to release on behalf of the United States certain restrictions in a previous conveyance of land to the town of Jerome, AZ (Rept. 99-345). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1795. A bill to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806 (Rept. 99-346). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1740. A bill to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, FL, which were previously conveyed to Orange County, FL; with an amendment (Rept. 99-347). Referred to the Committee of the Whole House on the State of the Union.

Mr. SWIFT: Committee on House Administration. H.R. 3525. A bill to amend title 3, United States Code, to establish uniform regional poll closing times in the continental United States for Presidential general elections; with amendments (Rept. 99-348). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOULTER (for himself, Mr. CRAIG, Mr. WEBER, Mr. BURTON of Indiana, Mr. ROBERTS, Mr. LIGHTFOOT, Mr. WILSON, Mr. SCHUETTE, Mr. ROBERT F. SMITH, Mr. MONSON, Mr. SKEEN, and Mr. DELAY):

H.R. 3643. A bill to require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with United States produced agricultural commodities, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COBLE (for himself, Mr. BROYHILL, Mr. JONES of North Carolina, Mr. ROSE, Mr. HEFNER, Mr. NEAL, Mr. WHITLEY, Mr. VALENTINE, Mr. HENDON, Mr. COBEY, Mr. MCMILLAN, Mr. DOWDY of Mississippi, Mr. WEAVER, Mr. BEDELL, Mr. HORTON, Mr. SMITH of New Jersey, Mr. QUILLEN, Mr. HAYES, Mr. HENRY, Mr. NATCHER, Mr. DANIEL, Ms. KAPTUR, Mr. MARTINEZ, Mr. TALLON, Ms. MIKULSKI, Mr. MOAKLEY, Mr. GUNDERSON, Mr. LUNDINE, Mr. DUNCAN, Mr. BLILEY, Mr. ANTHONY, Mr. SHELBY, Mr. WHITTEN, and Mr. HAMMERSCHMIDT):

H.R. 3644. A bill to amend the Trade Act of 1974 to promote expansion of international trade in furniture with Canada, and

for other purposes; to the Committee on Ways and Means.

By Mr. COELHO:

H.R. 3645. A bill to amend the Internal Revenue Code of 1954 to provide relief for insolvent farmers by excluding certain capital gains amounts for purposes of computing the alternative minimum tax; to the Committee on Ways and Means.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. WEBER, Mr. GINGRICH, Mr. SILJANDER, Mr. COBEY, Mr. RALPH M. HALL, Mr. BARTON of Texas, Mr. ARMEY, Mr. LIGHTFOOT, Mr. CHAPMAN, Mr. MONSON, Mr. HANSEN, Mr. VOLKMER, and Mr. DORNAN of California):

H.R. 3646. A bill to prohibit discrimination in the use of protective garments in federally assisted hospitals; to the Committee on Energy and Commerce.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. WEBER, Mr. WALKER, Mr. SILJANDER, Mr. GINGRICH, Mr. RALPH M. HALL, Mr. COBEY, Mr. BARTON of Texas, Mr. ARMEY, Mr. CHAPMAN, Mr. LIGHTFOOT, Mr. NIELSON of Utah, Mr. MONSON, Mr. HANSEN, Mr. VOLKMER, Mr. WHITTAKER, Mr. DANIEL, and Mr. DORNAN of California):

H.R. 3647. A bill to prohibit physicians, dentists, nurses, or other health care delivery personnel who have acquired immune deficiency syndrome from practicing in federally assisted hospitals; to the Committee on Energy and Commerce.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. BARTON of Texas, Mr. WALKER, Mr. ARMEY, Mr. SILJANDER, Mr. CHAPMAN, Mr. GINGRICH, Mr. NIELSON of Utah, Mr. COBEY, Mr. MONSON, Mr. RALPH M. HALL, Mr. WEBER, Mr. LIGHTFOOT, Mr. WHITTAKER, Mr. VOLKMER, Mr. DANIEL, and Mr. DORNAN of California):

H.R. 3648. A bill to prohibit Federal financial assistance to any city, town, or other political jurisdiction which permits the operation of certain public baths; to the Committee on Government Operations.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. WEBER, Mr. WALKER, Mr. SILJANDER, Mr. COBEY, Mr. HALL, Mr. BARTON of Texas, Mr. ARMEY, Mr. LIGHTFOOT, Mr. CHAPMAN, Mr. NIELSON of Utah, Mr. MONSON, Mr. VOLKMER, Mr. HANSEN, Mr. WHITTAKER, Mr. ROEMER, and Mr. DORNAN of California):

H.R. 3649. A bill to make it a Federal offense for a person with acquired immune deficiency or a person with a high risk of acquiring such deficiency to intentionally donate blood; to the Committee on the Judiciary.

By Mr. DE LUGO (for himself, Mr. FOLEY, Mr. BARNES, Mr. GRAY of Pennsylvania, Mr. GARCIA, Mr. ALEXANDER, Mr. RANGEL, Mr. HUTTO, Mr. LAGOMARSINO, Mr. BEREUTER, and Mr. O'BRIEN):

H.R. 3650. A bill to establish an Eastern Caribbean Center at the College of the Virgin Islands; to the Committee on Foreign Affairs.

By Mr. HOWARD:

H.R. 3651. A bill to reaffirm the boundaries of the Great Sioux Reservation to convey federally held lands in the Black Hills to the Sioux Nation; to provide for the economic development, resource protection and self-determination of the Sioux Nation; to remove barriers to the free exercise of traditional Indian religion in the Black Hills; to preserve the sacred Black Hills from desecration; to establish a wildlife sanctuary; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCOLLUM (for himself, Mr. GEKAS, Mr. BATEMAN, Mr. HUNTER, and Mr. HILLIS):

H.R. 3652. A bill to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to establish procedures for the adjudication by courts-martial of sentences of capital punishment; to the Committee on Armed Services.

By Mr. UDALL:

H.R. 3653. A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve procedures for liability and indemnification for nuclear incidents; to the Committee on Interior and Insular Affairs.

By Mrs. JOHNSON (for herself, Ms. SNOWE, Mrs. SCHROEDER, Mr. LEVIN of Michigan, Mr. PORTER, Mrs. SCHNEIDER, Mrs. BURTON of California, Mr. KOSTMAYER, Mr. GREEN, Mrs. BOXER, Mr. BEILENSON, Mr. EDGAR, Mr. FAZIO, Mr. GEJDENSON, Mr. LEHMAN of Florida, Mr. McHUGH, Mr. McKINNEY, Mr. MILLER of California, Mr. MOODY, Mr. MRAZEK, Mr. RICHARDSON, Mr. SCHEUER, Mr. WEISS, Mr. WOLPE, Mr. McKERNAN, Mr. CHANDLER, Mr. FISH, Mr. FRENZEL, Mr. ACKERMAN, Mr. BARNES, Mr. BERMAN, Mr. ZSCHAU, Mr. STOKES, Mr. DYMALLY, Mr. LEACH of Iowa, Mrs. ROUKEMA, Mr. PEPPER, Mr. BOUCHER, Mr. BROWN of California, Mrs. MARTIN of Illinois, Mr. CONYERS, Mr. CROCKETT, Mr. DELLUMS, Mr. DIXON, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. FRANK, Mr. FAUNTROY, Mr. FROST, Mr. GARCIA, Mr. HAYES, Mr. HUGHES, Mr. JEFFORDS, Mr. LELAND, Mr. LEVINE of California, Mr. LUNDINE, Mr. MARTINEZ, Mr. MATSUI, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL, Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. NEAL, Mr. RANGEL, Mr. RODINO, Mr. SABO, Mr. SAVAGE, Mr. SEIBERLING, Mr. SMITH of Florida, Mr. STARK, Mr. STUDDS, Mr. SWIFT, Mr. TOWNS, Mr. UDALL, Mr. WAXMAN, Mr. WEAVER, Mr. YATES, Mr. FAWELL, Mr. COELHO, and Mrs. MEYERS of Kansas):

H.R. 3654. A bill to amend the Foreign Assistance Act of 1961 to require that support by the Agency for International Development for family planning service programs be based on the fundamental principles of voluntarism and informed choice; to the Committee on Foreign Affairs.

By Mr. JONES of North Carolina:

H.R. 3655. A bill to counter restrictive practices in the marine transportation of automobiles, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Ms. KAPTUR (for herself, Mr. FEIGHAN, and Mr. ECKART of Ohio):

H.R. 3656. A bill to provide for cost efficiency in the shipment of United States Government cargoes, to establish the Great Lakes and Saint Lawrence Seaway Advisory Council, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. MOAKLEY (for himself, Mr. ADDABBO, Mr. BERMAN, Mr. BIAGGI, Mr. BONER of Tennessee, Mr. DONNELLY, Mr. DYSON, Mr. EVANS of Iowa, Mr. FAUNTROY, Mr. FISH, Mr. FLIPPO, Mr. FRANK, Mr. GARCIA, Mr. GUARINI, Mr. HORTON, Mr. JACOBS, Mr. KOLTER, Mr. LEVIN of Michigan, Mr. MATSUI, Mr. MAVROULES, Mr. McEWEN, Mr. McGRATH, Mr. MRAZEK, Mr. MURPHY, Mr. OWENS, Mr. RANGEL, Mr. SCHEUER, Mr. DENNY SMITH, Mr. SOLARZ, Mr. TORRICELLI, Mr. TOWNS, Mr. WOLPE, and Mr. WORTLEY):

H.J. Res. 434. Joint resolution designating the week beginning May 4, 1986, as "National Arson Awareness Week"; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H.J. Res. 435. Joint resolution authorizing establishment of a memorial to honor Francis Scott Key; to the Committee on House Administration.

By Ms. KAPTUR (for herself, Mr. BARTLETT, Mr. WALGREN, Mr. FROST, Mr. MARTINEZ, Mr. HUGHES, Mr. ORTIZ, Mr. BRYANT, Mr. SEIBERLING, Mr. MATSUI, Mr. CROCKETT, Mr. BARNARD, Mr. FEIGHAN, Mr. STOKES, Mr. BEDELL, Mr. LAFALCE, Mr. ECKART of Ohio, Mr. LUKEN, Ms. SNOWE, Mr. PURSELL, and Mr. HALL of Ohio):

H.J. Res. 436. Joint resolution to designate 1986 as "Save for the U.S.A. Year," and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DANNEMEYER (for himself, Mr. ARMEY, Mr. LIGHTFOOT, Mr. BLILEY, Mr. MONSON, Mr. RALPH M. HALL, Mr. ROEMER, Mr. BARTON of Texas, and Mr. DORNAN of California):

H. Con. Res. 224. Concurrent resolution expressing the sense of Congress respecting the education of children with acquired immune deficiency or acquired immune deficiency related complex; to the Committee on Education and Labor.

## MEMORIALS

Under clause 4 of rule XXII,

279. The SPEAKER presented a memorial of the Commonwealth of Pennsylvania, relative to the Environmental Protection Agency; to the Committee on Energy and Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SWINDALL introduced a bill (H.R. 3657) for the relief of Benjamin H. Fonorow, which was referred to the Committee on Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Mr. CHAPMAN.
H.R. 358: Ms. SNOWE.
H.R. 1059: Mr. EDWARDS of Oklahoma.
H.R. 1207: Mr. DANIEL.
H.R. 1436: Mr. YOUNG of Florida.
H.R. 1458: Mr. TORRICELLI.
H.R. 1769: Mr. VOLKMER, Mr. MYERS of Indiana, Mr. BREAUX, Mr. APPLEGATE, Mr. GRAY of Illinois, and Mr. LIVINGSTON.
H.R. 1809: Mr. ROWLAND of Connecticut.

H.R. 1911: Mr. SUNDQUIST.

H.R. 1950: Mr. PRICE, Mr. CARPER, Mr. LAGOMARSINO, Mr. HALL of Ohio, and Mr. YATRON.

H.R. 2267: Mr. WALKER, Mr. GINGRICH, Mr. EMERSON, Mr. APPLEGATE, Mr. BURTON of Indiana, Mr. SWINDALL, Mr. SENSENBRENNER, and Mr. MONSON.

H.R. 2489: Mr. RUSSO.

H.R. 2589: Mr. MARKEY.

H.R. 2805: Mr. PETRI, Mr. FISH, Mrs. JOHNSON, Mr. BEREUTER, Mr. MILLER of Washington, and Mr. BROWN of Colorado.

H.R. 2854: Mrs. LLOYD and Mr. LANTOS.

H.R. 2907: Mr. PERKINS and Mr. LOWRY of Washington.

H.R. 2911: Mr. WRIGHT, Mr. COOPER, Mr. TOWNS, Mr. SCHUMER, Mr. GORDON, Mr. MARTINEZ, Mr. WEISS, and Mr. DASCHLE.

H.R. 2954: Mr. HUTTO, Mr. EMERSON, Mr. LEVINE of California, and Mr. EDWARDS of Oklahoma.

H.R. 3280: Mrs. BENTLEY, Mr. BROWN of Colorado, Mr. DANNEMEYER, Mr. PACKARD, Mr. BARTON of Texas, and Mr. SOLOMON.

H.R. 3296: Mr. BEDELL, Ms. KAPTUR, and Mr. KINDNESS.

H.R. 3344: Mr. TALLON, Mr. TOWNS, Mrs. COLLINS, Mr. BUSTAMANTE, and Mr. HOYER.

H.R. 3346: Mr. GREGG.

H.R. 3379: Mr. ARMEY, Mr. TOWNS, Mr. CHAPMAN, Mr. SWINDALL, and Mr. EDWARDS of Oklahoma.

H.R. 3408: Mr. JONES of North Carolina, Mr. KLECZKA, Mr. HAYES, Mrs. BENTLEY, Mrs. BOXER, Mr. EVANS of Illinois, Mr. WILLIAMS, Mr. RANGEL, Mr. DYSON, Mr. DORGAN of North Dakota, Mrs. COLLINS, Mr. PRICE, Mr. MURPHY, Mr. MITCHELL, Mr. HOWARD, Mr. FUSTER, Mr. SAXTON, Mr. HUGHES, Mr. MORRISON of Connecticut, Mr. ROEMER, Mr. MRAZEK, and Mr. SAVAGE.

H.R. 3418: Mr. STENHOLM.

H.R. 3470: Mr. BEVILL, Mr. OXLEY, Mr. BORSKI, Mr. DUNCAN, Mr. HUGHES, Mr. CONYERS, Mr. WEISS, Mr. LAFALCE, Mr. BARTON of Texas, Mr. MCCANDLESS, Mr. BUSTAMANTE, Mr. STOKES, Mr. ARMEY, Mr. TRAFICANT, Mr. CLINGER, Mr. JEFFORDS, Mr. ROGERS, Mr. APPLEGATE, Mr. YOUNG of Missouri, Mr. DEWINE, Mr. WEAVER, Mr. COELHO, Mr. DREIER of California, Mr. CHAPMAN, Mrs. LLOYD, Mr. THOMAS of Georgia, Mr. GLICKMAN, Mr. HORTON, Mr. CROCKETT, Mr. SHAW, Mr. BOEHLERT, Mr. VALENTINE, Mr. HUTTO, Mr. CLAY, Mr. DAVIS, Mr. DWYER of New Jersey, Mr. HOWARD, Ms. KAPTUR, Mr. FIELDS, Mr. LEVINE of California, Mr. ANDREWS, Mr. COATS, Mrs. BOXER, Mrs. JOHNSON, Mr. RALPH M. HALL, Mr. SKELTON, Mr. TAYLOR, Mr. MORRISON of Connecticut, Mr. YATRON, Mr. BIAGGI, Mr. CHAPPELL, Mr. LAGOMARSINO, Mr. BLILEY, Mr. TORRES, Mr. DINGELL, Mr. ROE, Mr. NOWAK, Mr. WHITEHURST, Mr. MANTON, Mr. FAZIO, Mr. GROTBERG, Mr. KOSTMAYER, Mr. FRANK, Mr. TOWNS, Mr. KILDEE, Mrs. BYRON, Mr. ENGLISH, Mr. CARPER, Mr. KINDNESS, and Mr. MCMILLAN.

H.R. 3505: Mr. DE LUGO, Mr. GROTBERG, Mr. DANIEL, and Mr. EDWARDS of Oklahoma.

H.R. 3522: Mr. REGULA and Mr. PACKARD.

H.R. 3594: Mr. CHANDLER.

H.R. 3600: Mr. GINGRICH, Mr. WHITEHURST, Mr. BURTON of Indiana, Mr. WILSON, Mr. HYDE, Mr. COOPER, Mr. DORNAN of California, Mr. KINDNESS, Mr. CRANE, Mr. RALPH M. HALL, Mr. EMERSON, Mr. MONSON, Mr. BROOMFIELD, Mr. FRENZEL, Mr. MCGRATH, Mr. RUDD, Mr. SILJANDER, Mr. COBEY, Mr. BILIRAKIS, and Mr. WEBER.

H.R. 3626: Mr. BARTON of Texas, Mr. CLINGER, and Mr. MCGRATH.

H.J. Res. 1: Mr. FRENZEL.

H.J. Res. 126: Mr. SKEEN, Mr. ZSCHAU, and Mr. REGULA.

H.J. Res. 282: Mr. NICHOLS, Mr. MONSON, Mr. MCMILLAN, Mr. GREGG, Ms. MIKULSKI, and Mrs. KENNELLY.

H.J. Res. 377: Mr. RUSSO, Mr. KRAMER, Mr. HARTNETT, Mr. LATTA, and Mr. COURTER.

H.J. Res. 424: Mr. ROWLAND of Georgia, Mr. SMITH of Florida, Mr. WEISS, Mr. GROTBERG, Mr. SUNDQUIST, Mr. FISH, Mr. DORNAN of California, Mr. ARMEY, Mr. MARTINEZ, Mr. FUQUA, Mr. CAMPBELL, Mr. MONSON, Mr. FAUNTROY, Mr. ROE, Mrs. LONG, Mr. GRAY of Illinois, Mr. DYMALLY, Mr. ERDREICH, Mr. ORTIZ, Mr. STRANG, Mr. EDWARDS of Oklahoma, Mr. RALPH M. HALL, Mr. MATSUI, Mr. FROST, Mr. BIAGGI, Mr. BARTLETT, Mr. CALLAHAN, Mr. CRAIG, Mr. ECKERT of New York, Mr. EMERSON, Mr. FAWELL, Mr. GUNDERSON, Mr. HAMMERSCHMIDT, Mr. HENRY, Mr. HILLIS, Mr. HUNTER, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MCDADE, Mr. MCMILLAN, Mr. MILLER of Ohio, Mr. MILLER of Washington, Mr. REGULA, Mr. RINALDO, Mr. SKEEN, Mr. SMITH of New Hampshire, Mr. SPENCE, Mr. TAYLOR, and Mr. WALKER.

H. Con. Res. 117: Mr. TORRICELLI, Mr. CHANDLER, Mrs. COLLINS, Mrs. BENTLEY, Mr. MARTINEZ, Mr. FUQUA, and Mr. TALLON.

H. Con. Res. 129: Mrs. MEYERS of Kansas, Mr. BEDELL, and Mrs. BYRON.

H. Con. Res. 208: Mr. PENNY, Mr. MINETA, Mr. MATSUI, and Mr. VENTO.

H. Con. Res. 209: Mr. BLILEY, Mr. SIKORSKI, Mr. MARTINEZ, Mr. MURPHY, Mr. KINDNESS, Mr. HORTON, Mr. HERTEL of Michigan, Mr. BEDELL, Mr. HYDE, Mr. DWYER of New Jersey, Mr. HOWARD, Mr. EMERSON, Mr. REID, Mr. SCHEUER, Mr. ECKERT of New York, Mr. ERDREICH, Mr. LOWERY of California, Mr. FAZIO, Mr. BIAGGI, Mr. FROST, Mr. KOLBE, Mr. MCGRATH, Mr. LEVINE of California, Mr. GUNDERSON, and Mr. DEWINE.

H. Con. Res. 213: Mr. MILLER of Ohio and Mr. NEAL.

H. Res. 76: Mr. MARKEY and Mr. LEVIN of Michigan.

H. Res. 154: Mr. EDWARDS of Oklahoma.

H. Res. 203: Mr. FRENZEL, Mr. REID, Mr. DEWINE, and Mr. EDWARDS of Oklahoma.

H. Res. 247: Mr. APPLEGATE.

H. Res. 270: Mr. MARTINEZ, Mrs. COLLINS, Mr. KOLTER, and Mr. FORD of Tennessee.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

243. By the SPEAKER: Petition of the City Council of Berea, OH, relative to the Fair Labor Standard Act; to the Committee on Education and Labor.

244. Also, petition of Melat and Pressman, attorneys at law, Colorado Springs, CO, relative to Tara Lynn Waldner and medical malpractice; to the Committee on the Judiciary.

245. Also, petition of the National Beverage Control Association, Inc., Alexandria, VA, relative to excise taxes; to the Committee on Ways and Means.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3128

By Mr. GRADISON:

—In title I (text of H.R. 3290), strike out section 122 (limiting the penalty for late enrollment in part A), section 145 (relating to occupational therapy services), section 149 (relating to demonstration of preventive health services under medicare), section 155 (relating to vision care), section 157 (relating to changing medicare appeals rights), section 161 (relating to services for pregnant women), and section 168 (relating to extension of MNIS deadline); and redesignate the remaining sections accordingly (with conforming changes in the table of contents).

Strike out title III (relating to aid to families with dependent children); and redesignate the succeeding titles and sections accordingly.

By Mr. KINDNESS:

—"To strike section 123"

By Mr. MOORE:

(Amendment to text of H.R. 3290.)

—Page 4, strike out lines 6 throuth 14 and insert in lieu thereof the following:

(a) CONTINUATION OF TRANSITION FOR ONE YEAR.—(1) Section 1886(d)(1)(A) of the Social Security Act (42 U.S.C. 139ww(d)(1)(A)) is amended by striking out "1986" in clauses (ii) and (iii) and inserting in lieu thereof "1987".

(2) Section 1886(d)(1)(C) of such Act is amended—

(A) by striking out "and" at the end of clause (ii); and

(B) by striking out clause (iii) and inserting in lieu thereof the following new clauses:

"(iii) on or after October 1, 1985, and before October 1, 1986, the 'target percentage' is 40 percent and the 'DRG' percentage is 60 percent; and

"(iv) on or after October 1, 1986, and before October 1, 1987, the 'target percentage' is 20 percent and the 'DRG percentage' is 80 percent.".

(3) Section 1886(d)(1)(D) of such Act is amended—

(A) by striking out "and" at the end of clause (i);

(B) by striking out clause (ii) and inserting in lieu thereof the following new clauses:

"(ii) on or after October 1, 1985, and before October 1, 1986, is a combined rate consisting of 60 percent of the national adjusted DRG prospective payment rate and 40 percent of the regional adjusted DRG prospective payment rate, determined under paragraph (3) for such discharges; and

"(iii) on or after October 1, 1986, and before October 1, 1987, is a combined rate consisting of 80 percent of the national adjusted DRG prospective payment rate and 20 percent of the regional adjusted DRG prospective payment rate, determined under paragraph (3) for such discharges.".

By Mr. SWINDALL:

—Page 38, strike out lines 11-19 and insert the following new subsection:

(3) REPORT.—The Secretary of Health and Human Services shall report to Congress, no later than 16 months after the date of the enactment of this Act, on the effect of the implementation of the amendments made by this section, including the adequacy of remedies provided therein and the need for civil enforcement and criminal penalties in order to carry out the purposes of this section.